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Mr. Egener graduated from Western in 1935 and from Osgoode Hall in 1938. He practised law in Toronto until 1940 when he enlisted in the Air Force. He was the Chief Pilot at Crumlin for the duration of the war. Mr. Egener is now practising law in London with the firm of Carrothers, McMillan and Egener.

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LONDON LIFE INSURANCE COMPANY'S TESTS OF THEIR ADVERTISING

By J. CRAM

EDITORIAL NOTE

Since the purpose of most advertising is to increase sales, many companies are attempting, through testing, to determine what type of advertising contributes most toward greater sales volume. Many companies have had excellent results and have been able to eliminate wasteful advertising expenditures. In the case of immediate action advertising a careful check on sales will furnish a fairly accurate indication of advertising effectiveness, providing other variables are kept constant. However, when advertisers expect no immediate results but expect merely to build around their names mental associations conducive to buying, the job is considerably more difficult. The more common methods of testing such advertising are readership surveys, polls of either consumers or professional advertising men, triple associates test, inquiries, hidden offers, split runs, and check or scoring lists. London Life Insurance Company has been one of the leaders in copy testing in Canada. This article presents the results of a recent copy survey.

★ ★ ★

THE London Life is one of the largest Canadian Life Insurance Companies. Its head office, as signified by the name, is in London, Ontario. Branch offices have been operating from one end of Canada

to the other with a great deal of success. As life insurance became more popular in Canada, the company grew with the general trend but forged ahead due to expert management.

Advertising has begun to play a larger role in the life insurance selling than was previously the case. As the company began to develop this important *phase* of the business, the management felt that it would be desirable to obtain an opinion on their programme.

It was decided that the company would attempt to test the advertisements by the following methods:

1. Readership Tests
2. Newspaper Poll
3. Branch Manager's Opinions
4. Check List

The results of these various tests are described in this article.

Readership Tests

The London Life Insurance Company, which has always carried out quite an extensive advertising campaign, desired to obtain an outside opinion on their advertisements.[1]

1. To find out what proportion of the men and women readers of the *Toronto Star* actually read the London Life advertisements in the issues of September 27th and October 4.

2. To compare the readership of their ads with other advertisements of similar character as might be available in these issues.

3. To obtain expressions of opinions from readers on the text appeal of the two London Life advertisements.

The standard method of making readership studies of this nature was employed. A cross section of approximately a hundred men and a hundred women readers of these issues of the Star were interviewed personally in their homes on the two days following each issue. Each person was asked to point out voluntarily which advertising items he or she had read on the pages checked. After this procedure was completed the special questions were asked.

[1]Survey conducted by "Canadian Facts".

Exhibit 1

Characteristics of Persons Interviewed

	Readers of Star Sept. 27		Readers of Star Oct. 4	
	No.	Pct.	Pct.	No.
Total Readers Interviewed	210	100%	214	100%
By Sex				
Men	90	43	108	50
Women	120	57	106	50
By Class				
High Income	36	17	35	16
Upper Middle	55	26	64	30
Lower Middle	75	36	75	35
Low Income	44	21	40	19
By Age				
Under 35	46	22	26	12
35-49	113	54	107	50
50 and over	51	24	81	38
Occupation of Family Head ..				
Professional and Executive	56	27	59	28
Other white collar	49	23	50	23
Skilled Labour	61	29	63	29
Unskilled Labour	14	7	10	5
Armed Forces and Miscellaneous	30	14	32	15

(Note—"Executive" includes managers and proprietors of small businesses.)

On the whole, the group that was interviewed was a typical cross section. As the greater portion of life insurance is sold to managers, executives and white collar workers, it might have been better if a greater portion of the interviews were of this class. For the same reasons, the sample would have been better if a greater portion of the interviewed were in the high income or upper middle. People under the age of thirty-five are in the market for their first life insurance policy; advertising should, therefore, familiarize this group with the advantages of such a scheme. If the sample had included a higher percentage of the potential buyers, the results might have given a closer indication of the reactions of the potential.

Factors of An Advertisement

An advertisement will attract readers depending on various factors. The size of the advertisement is important, and all things being equal, the larger the advertisement the greater number of people it will attract. However, very few attract readers in direct ratio to their size. When comparing readership of advertisements, it is best to compare on the basis of a common unit of space. A practical unit is one hundred lines. Of course, in comparing advertisements in different papers, one should keep in mind the milline rate or the cost per million readers.

As pages vary in appeal, therefore, the potential readership of an advertisement varies. As radio entertainment provides a vehicle for the radio commercial, also, in the newspaper the editorials and news items will draw readers and provide a vehicle for the advertisement. Therefore, in reading the results of any study, it is important to consider not only the number who read the advertisement, but consider this as a percentage of the people who were attracted to the page.

Another factor that is important in attracting readers is the position of the advertisement on the page. We all have our own sequina in reading a newspaper page but the majority read the right side first, and the upper half before the lower. Naturally, if the advertisement is on the right hand side, the opportunity of attracting readers is greater than if in the lower left hand corners. Both of the London Life advertisements were in the lower right hand corner. The other ads that were used in comparison had approximately the same position.

Before any comparisons are made, the ads should be of a comparable nature. The advertisements of the London Life could be compared with those of other insurance companies or chartered banks. Companies of this nature have some of the same difficulties in making their copy appealing to readers. It would be valueless in comparing a life insurance advertisement with that of consistant theatre advertisers.

Examination of Readership Figures

Of the two hundred people interviewed, approximately ninety-two per cent read some portion of the page on which the London Life ad occurred. Of this total, eleven per cent or twenty-two of the two hundred read the ad being tested. Upon breaking down the figures

for readers per one hundred lines, it was found that three per cent read the ad.

Five other advertisements were compared with the London Life ad. The tested advertisement was ahead of all others per one hundred lines except one. The cartoon style of advertisements by X Life Company surpassed all others by fifty per cent.

However, the fact that some part of an advertisement has been seen or read by a certain percentage of the paper's readers does not tell the whole story. The next comparison of interest is from the standpoint of how thoroughly these advertisements were read. The people being interviewed were asked what part of the ad they read and saw specifically. Nine of the eleven per cent read the headline and eight per cent read most or all of the main text. The headline of the ad in September twenty-seven was "Mistakes In Life" and in the ad of October the fourth "It's Always the First Question". None of the other advertisements that were compared in the test retained the interest of the readers except that of X Life Insurance Company. Many adverisements attract readers by a startling headline or picture but readers lose their interest before they have read the text or the address where they may take action if they desire. A good advertisement should retain the readers' interest until the full message has been conveyed.

Testing London Life Advertisement

An advertisement cannot sell unless it is read, but the readership of an advertisement is not necessarily a criterion of its influence. In order to get some idea of public reaction, to the appeals in two London Life advertisements, everyone interviewed was asked to read them and then was asked how convincing each was and whether they left a favourable impression. It is important to note that around eight per cent of the people interviewed felt that the adverisements were at least fairly convincing. The advertisements left a favourable impression in more women than men.

Conclusions that Can be Drawn

The London Life advertisements appear to attract more readers than other advertisements of a comparable nature. They not only attract more readers but retain their interest through the text of the message. The cartoon style of ad by Company X surpassed the attraction rate of the London Life, but it is debatable whether it leaves the reader with as favourable a reaction.

Exhibit 2

Opinions as to How Convincing Is the London Life Advertisement

The Question: "How convincing do you think the London Life Advertisement is as a reason for buying Life Insurance?"

Mistakes in Life—Star, Sept. 27

	Total	Men	Women
Total Interviews	210	90	120
	(100%)	(100%)	(100%)
Very convincing	47.9	40.0	55.8
Fairly convincing	33.9	37.8	30.0
Not very convincing	10.1	11.1	9.2
Not at all convincing	3.8	6.7	0.8
No opinion	4.3	4.4	4.2

Note: In September 27th issue in percentages for men and women combined, adjustments have been made to give men and women equal weight.

The First Question—Star, Oct. 4

	Total	Men	Women
Total Interviews	214	108	106
	(100%)	(100%)	(100%)
Very convincing	36.5	35.2	37.7
Fairly convincing	46.7	49.1	44.3
Not very convincing	6.5	7.4	5.7
Not at all convincing	2.3	2.8	1.9
No opinion	7.9	5.6	10.4

Exhibit 3

Reaction to London Life Copy

Question: "Does an appeal of this kind make you feel favourable or unfavourable toward the Company?"

	Total	Men	Women
Mistakes in Life—Star, Sept. 27			
Total Interviews	210	90	120
	(100%)	(100%)	(100%)
Favourable	73.0	67.8	78.3
Unfavourable	3.5	4.4	2.5
Neutral	23.5	27.8	19.2

Note: In the September 27th issue in the percentages for men and women combined adjustments have been made to give men and women equal weight.

The First Question—Star, Oct. 4			
Total Interviews	214 (100%)	108 (100%)	106 (100%)
Favourable	66.8	62.0	71.7
Unfavourable	2.4	2.8	1.9
Neutral	30.8	35.2	26.4

London Life's appeal is almost equally strong to women as to men in the first advertisement headed "Mistakes in Life" and slightly stronger to women than to men in the second advertisement headed "It's Always the First Question".

Both advertisements attracted approximately the same percentage of readers. There was little cumulative effect of more readers after the second insertion. It is impossible to draw any general conclusion from this other than the percentage of readers increased by decimal three per cent.

Second Readership Tests of London Life Advertisements

This readership test was carried out using the same principles as the previous test except that the sample was slightly smaller.

As was the case in the previous study, the London Life advertisements stood up well in comparison with other Life Insurance advertisements. The ad of the "X" Life Insurance Company was the only one per one hundred lines that edged out the London Life for readership.

In order that advertising copy be of the utmost value, it must not only attract readers but interest them to such an extent that the main text will be read in addition to the headline. In the issue of November twenty-first, thirteen per cent saw or read some part of the copy and over twenty-five per cent of this group read most or all of the main text. In the copy of November twenty-eighth, twelve per cent of all interviewed saw or read some part of the advertisement and seventy-five per cent of this group also read most of the text. In insurance advertisements, there is a real message that has to be conveyed, and this can best be done by holding the reader's attention to such an extent that the text is read.

Comparison of the Two Tests

The second test helps to confirm certain ideas that were obtained from the first one. "Mistakes in Life" and "What's a Security Programme?" bear some resemblance to each other in that both are more

largely on the factual and financial side. "It's always the First Question" and "What I Want in Life" are the two that approach insurance more from the human interest side. This contrast shows up strongly in the readership results and makes comparisons valuable between all four advertisements.

The first comparison of interest lies in the differences in readership as between men and women:

Saw or Read Some Part: "London Life Advertisements"

	Sept. 27	Oct. 4	Nov. 21	Nov. 28
Men Only	14%	10%	14%	11%
Women Only	8	13	11	12
Combined	11	12	13	12

From the above figures it can be easily seen that the more factual advertisements appealed more strongly to the men than to the women, and in the more human interest type of advertisement, the appeal to women was as strong or stronger than to men.

When we consider the question of how convincing the reader felt the London Life advertisements to be, we find there is quite a definite trend. The more factual advertisements are not read by as high a percentage of women as the more human interest type of advertisement, but the women that do read this type of advertisement rate it as more convincing. From this comparison we can almost assume that factual copy for this company would be more effective.

When comparing the two ads from the standpoint of reaction to the Company, there appears to be a more favourable reaction from the factual than from the human interest type of ad. There was little difference in the opinion of men readers but among women readers the more factual advertisement was given a more favourable rating. It is important to note from these tests that the factual ones seem to attract as many readers and the readers are more convinced with the value of insurance as well as feeling more favourable towards the company.

Exhibit 4

Reaction to London Life Copy

Star—November 21st

	Total	Men	Women
Total Interviews	211	104	107
	(100%)	(100%)	(100%)

Favourable	71.1	68.3	73.8
Unfavourable	0.9	1.9	....
Neutral	28.0	29.8	26.2
Star—November 28th			
Total Interviews	199 (100%)	100 (100%)	99 (100%)
Favourable	66.3	70.0	62.6
Unfavourable	1.5	2.0	1.0
Neutral	32.2	28.0	36.4

Readership Tests to Determine Opinion of Big "L"

For many years the London Life has used the large "L" in practically all their advertisements. In their second readership test, which was conducted by the Canadian Facts, they desired to know the opinion of the public on the Big "L". This "L" was really a trade mark, which they felt was very important, but they were also aware of the fact that it was not attractive from an aristic viewpoint.

About half the individuals interviewed in the two parts of this study remembered having previously seen London Life advertisements where the "Large L" was the feature of the layout. Approximately fifty-eight per cent of the men remembered having seen this "L" feature previously but only forty per cent of the women had seen it. People had not only noticed the large "L" but over ninety per cent of them had read at least one of the advertisements.

The majority of people interivewed do not feel that the big "L" makes any particular difference in whether or not they are apt to read these advertisements. One in three feels definitely that they are more apt to read the ads because of it. Unconsciously many more people might have been attracted to the ad by it but did not realize the fact.

Exhibit 5

Number Recalling Having Seen Other London Life Advertisements With Large "L" and Number of Such Advertisements That Have Been Seen

Question: "Do you remember ever having seen London Life advertisements before they had the big 'L' in it like this?"

"(If yes) About how many do you suppose you have actually read?"

Star—November 21st

	No.	Percentage	Percentage
Total Persons Interviewed	211	100 %	....
Have never seen advertisements with large "L"	108	51.2	....
Have seen such advertisements	103	48.8	100 %
Approximate Number of Advertisements Read			
1 or 2	15	7.1	14.6
3 or 4	19	9.0	18.5
5 or more	20	9.5	19.4
None	12	5.7	11.7
Don't know	37	17.5	35.9
Star—November 28th			
Total Persons Interviewed	199	100 %	....
Have seen such advertisements	98	49.2	100 %
Have never seen advertisements	101	50.8	....
Approximate Number of Advertisements Read			
1 or 2	29	14.6	29.6
3 or 4	8	4.0	8.2
5 or more	21	10.6	21.4
None	7	3.5	7.1
Don't know	33	16.6	33.7

Exhibit 6

Opinions as to Whether the Big "L" is apt to Produce Greater Readership of Advertisements

Question: "Do you think you are more apt to read these advertisements because of the big 'L' or less apt to, or that it doesn't make any difference?"

Star—November 21st

	Total No.	Percentage
Total Persons Interviewed	211	100 %
More apt to read advertisement	79	37.4
Less apt to read advertisement	8	3.8
Makes no difference	120	56.9
No answer	4	1.9

Star—November 28

Total Persons Interviewed	199	100 %
More apt to read advertisement	65	32.7
Less apt to read advertisement	8	4.0
Makes no difference	126	63.3

Newspaper Poll

Twenty-seven newspaper men were consulted, concerning the London Life advertisements. The correspondence with the advertising managers of these twenty-seven leading daily newspapers was handled by a well-known advertising agency. The request was worded in a manner to call not only for the opinion of these men but to get the arguments upon which it was based.

Answers were received from all of the letters. Twenty-three declared themselves in favour of retaining the large "L" layout. Two others would retain its identification qualities in a modified size. The remaining two would discontinue its use. Some of the pertinent letters containing the better suggestions will be digested. The letters are actual ones received with fictitious names to disguise their origin.

The Letter to Newspapers

Re: London Life

"We have been using the large 'L' in layouts for this Company's 3-column advertisements for a good many years.

"We have the matter under review at the present time, and would like your opinion, as an experienced advertising man, of this type of layout for them.

"Perhaps we can best get what we want by posing a hypothetical question:

> "If you had complete charge of their advertising with unrestricted authority, would you continue to use this large 'L' motif or not?"

"Would you mind giving us your opinion, *with reasons*, as soon as possible?"

Advertising Agency.

N.B. The above letters were copies of original letters.

A. Free Press—

"While the motif has done yeoman's service in characterizing the company's advertising, its use does not allow much flexibility of display which, in my opinion, is necessary in these changing times.

"Therefore, my suggestion would be to retain its identification qualities by using it in a modified size, thus permitting a change of copy display without sacrificing the character."

B. Daily Times—

"I would say that the big 'L' limits the copies of original letters, possibilities for eye-catching varieties in the layouts. It puts too much restraint on the layout man.

"You could retain the continuity and recognition value the big 'L' gives by using a big 'L' in the signature or by evolving some trade mark using the big 'L'."

The C. Chronicle

"Were I in unrestricted authority, I would discontinue the large 'L' in London Life layouts. The only reason I can think of for retaining it would be that the public, no doubt, associates it on sight with a strong, reliable insurance company, the London Life. In this way it has served a very useful purpose. However, the public's familiarity with the distinctive use of the letter 'L' may cause many of them to subconsciously say, 'There is another London Life advertisement,' and let it go at that, without getting any part of the actual message.

"To put it briefly, the large 'L' has done a good job of putting the name 'London Life' before the public, but it is inclined to be stereotyped, reducing the amount of attention the advertisement will get from the reading public."

The D. Colonist—

"In looking back in our files at a number of London Life advertisements, we have come to a conclusion that the large 'L' motif should be continued.

"The London Life signature has established itself as a trade mark that would be missed were it discontinued.

"Many firms have never altered their trade mark or streamlined it in any way, the result being that their advertising is easily recognized at a glance at any time.

N.B. The above letters were copies of original letters.

"The London Life is an institution in its field, and the advertising signature is a trade mark that has become a symbol of prestige."

The G. Sun—

"I cannot be too emphatic in urging the continuance of the large 'L'.

"I have made it a point to question a large number of individuals, my question being, 'What feature do you recall regarding London Life advertising?', and in every instance, the reply has been, 'The large "L". My next question has been, 'Would you drop this in favour of a new type of advertising?', and in each case the reply has been in the negative.

"To change would mean the inauguration of an entirely new campaign to familiarize the public with your copy. In effect, it would amount to dropping an old, well-established and favourably received brand name.

"Your advertising really constitutes an introductory card for all of your solicitors, and when they announce themselves, they are in a position to confine their selling efforts entirely to the question of insurance, and do not have to sell their company—that has already been done for them.

"Your company has spent thousands of dollars in establishing the brand mark as represented by the large 'L', and represents a capital investment which has developed, in my opinion, into a real tangible asset, and I would no more think of changing this than I would of changing the name of the Company to something entirely different."

The West—

"The large letter 'L' has practically become a trade mark for the London Life, and it would be folly to throw away the prestige associated with that identification.

"The T. Eaton Company standardize their type face in order that their advertising may always be easily identified from that of any other department store, and it has been our belief that this style of advertising ties in with their company policy in all customer dealings, that has placed that firm above all competitors in public opinion, so far as integrity is concerned. There is nothing flashy about Eaton's advertising, there is no false front, nor do they ever make misleading

N.B. The above letters were copies of original letters.

statements, and I think the style of advertising used by the London Life has much the same effect."

The Midwest—

"Following the receipt of your letter, the writer clipped eight insurance company advertisements, including one containing the large 'L' (London Life) from the 1943 files of The Bulletin.

"The eight advertisements were mounted on a large cardboard; all were approximately the same size. These were placed before several members of our staff associates with the advertising end of the newspaper, including retail salesmen, compositors, etc.

"Without acquainting them with your letter, I asked for opinions as to the general layouts, headings, illustrations, typography, etc. I then requested each individual to return to his or her department and send me a memo containing the name of the advertiser with the most outstanding ad among the set of eight.

"Nine of the eleven employees who viewed the advertisements listed London Life first. Two picked an advertisement of another company.

"Here are the reasons:

"The large 'L' in the London Life advertisements was a definite 'attention compeller'. I confirmed this, following receipt of the selections.

"In the case of the other Insurance Company, this advertiser's copy was selected by two employees because the advertisement contained a picture of one of the Edmonton salesmen, who is a life-long resident of this city and very well known.

"As for myself, I am 'sold' on the idea of the large 'L'. Regardless of where the copy is placed in a newspaper, it always attracts the eye."

The Northwest—

"If I were an executive of the London Life, I would not think of dropping the large letter 'L' out of the company's advertisements.

"Fortunately for the London Life, the first letter 'L' in their name is synonymous with Life Insurance, making a perfect tie-up. The large letter 'L' in my judgment is a particularly valuable motif inasmuch as it trade-marks this advertising and at the same time has the

N.B. The above letters were copies of original letters.

effect of recalling to mind the London Life Insurance Company whenever and wherever you see the letter 'L'."

The Star—

"We have no hesitation in recommending that you continue with this design. The 'L' design gives individuality to your client's advertisements and serves almost in the same manner as a brand or identification mark.

"It will be of interest to you to know that one of our most prominent stores whose name also begins with an 'L' had considered a standard cut patterned along the same design. 'Imitation is the sincerest form of flattery.' "

The Daily—

"The 'L' has been used for many years and to me it has become an identification mark for London Life advertisements. Whenever I see the 'L' in an ad, I know right away it is about the London Life. Therefore, if not a word is read in the advertisement, London Life has been re-established in my mind.

"Some people may consider it old-fashioned and out-moded with the trend of some advertising to-day, but a good many advertisers who have been established advertisers as long as the London Life are growing stronger as the time passes through the continuance of a standard style of advertising. For example, Salada Tea ads look to-day just as they did when I first remember noticing them. Bovril has varied somewhat from their original ads but have gone back to ,'Alas, my poor brother' and the old cartoon style of ads.

"To me, once a style or motto is established in the public's mind, it is a very costly proposition to drop it for something different."

The Conserve—

"My unqualified reply is that I most decidedly would not abandon this manner of presentation for the following reasons:

"1. By the use of the dominant 'L' the space of less than a quarter page stands out forcefully on the page.

"2. No other life insurance company can adapt its copy similarly; therefore, there is a distinction that is most desirable for display purposes.

"3. The intelligent use of the letter 'L' in the past to my mind

N.B. The above letters were copies of original letters.

has made the London Life advertising over a period of years the most striking life insurance advertising that has appeared in the publications. Among all life insurance advertisers, I place the London Life first with the others grouped somewhat inconspicuously.

"My view is that, if you abandoned the 'L', you would have a most difficult time developing a piece of copy that would not with a different signature apply to almost any insurance company, and that is the problem that faces the other life insurance companies in their presentation of the service they desire to publicize.

"Repetition is a virtue and, if I were the London Life, I should certainly adhere, year in and year out, to the strong 'L'."

The Advertiser—

"If we had unrestricted authority, we would continue the use of the large 'L' in future advertisements.

"With the large volume of advertising which now appears in so many places, it is necessary to achieve 'impact' before advertising copy will get its proper readership. There are many ways of doing this and it seems to us that the large 'L' is one of them.

"Along with the large 'L', it would be our opinion that the heading should have an opportunity to show real strength. The combination of the two seems to us to give the best effect.

"We have heard even agency men argue that newspaper advertising cannot be effective in selling insurance. We disagree with this view completely because we know specific instances of London Life advertising of the factual type being clipped from the paper for future reference. We believe that the factual arguments which you have used are most effective."

The Capital—

"We certainly would not sacrifice the advantages gained by using the large 'L' in the London Life layouts.

"This emblem has established itself in the minds of newspaper readers over the years, more so than any other life insurance advertising.

"It commands attention no matter where it is placed on the page and the eye is naturally carried from the heading through the ad to the signature. It lends itself beautifully to an illustration and a story and we believe it has a large following.

"We were of the opinion that possibly our ideas might be a little old-fashioned, but in checking them with some of the young members in the advertising business, we were pleased to learn that they agreed with us."

The Erie—

"It is quite probable that every institution which uses a trade mark design for many years, possibly for generations, gets tired of it. In removing such a trade mark, however, the advertiser takes an awful chance of losing the familiarity which identifies the advertisement. As time goes on, there is a tendency on the part of our biggest and best advertisers to keep the substance of their trade mark, but to try to give it life by some change in style.

"Why not try changing the 'L' from the unvarying form which it has maintained for so many years and make it a different kind of 'L', one which might be restudied for each and every piece of copy, the kind of 'L' which would harmonize with the text or with the message but at the same time still be the big 'L' which has for so long identified the London Life."

The Westmount—

"We believe that, in the case of London Life, the sustained publication of this large 'L' has done what an individual slogan would have accomplished. Consequently, this 'L' type of advertising layout has brought forward the name of London Life Insurance Company into the mind of those who did not care or take time to read the message.

"When looking at the large 'L', we think about the London Life, the same as we do with tires, canned goods, and batteries when glancing at the Goodyear flag, the signature cuts of Firestone, Libby's or Exide, etc.

"In order to confirm our opinion, we have asked a few people the following question: 'Have you ever noticed an advertisement with a very large 'L' and if so, what did it mean to you?'

"Four out of five answered: 'Yes, the London Life advertisement.'

"This type of advertising has popularized the name of London Life with the general public as it has helped the reader to photograph in his mind the name of the Company.

"We appreciate the fact that the 'L' has been cut with a drawing,

N.B. The above letters were copies of original letters.

which was a good idea. On the other hand, such a drawing is not, in our estimation, as neat as it should be.

"The benday type of the large 'L' is already heavy and the lighter the illustration, the better it might be.

"There is also the question of the heading. A hand-lettered heading has always more life and more appeal than just ordinary type and we believe it should be used in every advertisement.

"The above remarks may be summed up as follows: 'Keep the 'L' but revamp and enlighten the layout.' "

The Easterner—

"I have given some thought to the matter of the layout of the London Life advertising, and have also discussed the matter with our advertising department. Our conclusions pro and con are as follows:

"Pro—London Life advertising has always been distinctive. The large 'L' attracts attention regardless of position on the page.

"Without reading the ad, the heading and large 'L' get over a message at a glance.

"The large 'L' has instilled confidence and stability in the average person's mind toward London Life.

"The large 'L' has dominated the majority of insurance ads appearing in the press because of its prominènce, even though only three columns in width.

"To change the feature of the large 'L' would be the equivalent of changing a trade mark, always a 'costly' procedure.

"Con—To the average individual there may appear too much 'sameness' in the ads due to the large 'L'.

"The large letter 'L' restricts the possibility of standout headings, places a limit to layout arrangements.

"I hope this may be of some service to you in considering future advertising of this splendid Company."

The replies were representative of the Canadian newspapermen. There was one or more opinion from each province. It is necessary to get a cross section of the whole field as the London Life campaign was and still is national in scope.

N.B. The above letters were copies of original letters.

It is also interesting to note the context of the letters for content and style. Many worthwhile suggestions can be drawn from the letters, but the one dominant suggestion, "Keep the large 'L'," occurred in every letter except two. The letters are interesting from the style phase as they are typical of an advertising man's dramatic method of expression.

Poll of London Life Managers

It is essential that any advertising campaign should have the whole-hearted support of the sales representatives. Advertising can attract readers, but it can't sell them goods unless the sales representatives are also sold on the campaign, so that they will tie in their effort with the advertising campaign. Many campaigns have been a failure for this reason alone. The London Life attempted to alleviate the failure by finding the reaction of their representatives. They wanted to ascertain the reaction to the anti-social appeals used in the two advertisements, "Mistakes in Life" and "It's Always the First Question."

The reactions of the field representatives were very interesting. The majority were well-pleased with the two advertisements, "Mistakes in Life" and "It's Always the First Question". Some specific comments will be able to give a better idea of their reaction.

(a) "If we could find some new venture which will be entirely different from anything which has been practised in the past, then we would really have something."

(b) "It is our firm belief that the presentation to the public of the basic fundamentals of why people need life insurance is most helpful from the agent's point of view."

(c) "Advertising that is attractively put together and brings the name of the Company before the people is all good; even though the general public may not read the contents of the ad, they do see the name 'London Life' and after all that is the important thing."

(d) "Many of our men have added to their human interest stories, the story told in the advertisement, 'How did he leave his family fixed?' This kind of advertising is particularly helpful to the field men, and I am sure its value will be felt considerably by increased sales."

(e) "As a principle our advertisement could be set up to have striking personal interest to the reader. In other words, putting the

N.B. The above letters were copies of original letters.

individual first rather than spreading the name London Life all over the page and thereby ruling out a number of people who naturally have no interest in the London Life but may develop an interest if a message were directed to them, which later they realized came from the London Life."

(f) "Over the past few years, your newspaper advertising has given variety, some of it building prestige for the agent, some of it for the Company, and quite often a direct sales suggestion, such as mentioned in 'Mistakes in Life', and I congratulate you on the variety that you have given."

The few excerpts from the letters received from the various branch managers convey the impression that the managers are pleased with the type of advertising that has been supporting them. This phase of copy testing is very often neglected by companies. It is an excellent testing ground for the pre-testing of advertisements as well as finding the impression specific ads have made.

Check List Test

In the Advertisers' Association contest, the judging was done by four specialists in the various fields. These specialists judged the advertising copy and rated them poor, fair, good, very good, excellent.

The London Life submitted the four pieces of copy—"What I Want in Life", "What's a Security Programme", "It's Always the First Question", and "Mistakes in Life". The pieces were judged as a group and they received the following rating:

	Rating
1. Advertising appeal and public relations value	Very Good
2. General sales promotion value	Fair
3. Value from viewpoint of Life Insurance field forces	Excellent
4. Art, layout and typography	Poor

On the average the copy did fairly well in the contest. The chief objection from the critics was in the last phase, which the advertising department had already considered, and realized from an expert's viewpoint it did lack qualities that would prevent it from obtaining a higher rating. The London Life copy is traditionally weak in this field from the artist's viewpoint, but, at the same time, it has built up

N.B. The above letters were copies of original letters.

a trade mark at a great expense with a high recognition value.

A check list test of this kind is useful as a further check, but should not be considered too important in itself, as it does not consider some of the more important features of an advertising campaign.

Conclusion

Copy testing is an aid to judgment and not the final answer to the puzzle of consumer advertising. On the negative side, it is possibly worth the time and expense if it does nothing but eliminate weak copy. On the positive side, it may help to improve current advertising, or prevent the abandonment of old copy themes of unsuspected strength.

The general objection to most copy testing methods is that there is no relationship established for effectiveness per dollar expended. Various testing methods may indicate reader interest, visibility, attention value, but none except the cash register test demonstrates that the copy actually sells the product at a proper ratio of expense to sales.

In the final analysis, most copy testing methods depend on some or all of the following:[1]

1. The proper selection of a sample market or sample consumers.
2. The proper phrasing of a questionnaire.
3. The proper presentation of the questionnaire.
4. The accurate allowances for and control of variables.
5. Highly skilful planning and direction of the test, with analytical judgment of the results.

A breakdown in any one of the essentials for a test nullifies the results. A good test should be fool-proof in every one of the necessities. A test should be pre-checked and if possible re-checked by a different method so that any breakdowns may be detected.

[1]Printer's Ink, November 8, 1940.

TESTING RADIO ADVERTISING

By S. W. DUNN

TODAY the radio audience comprises, in most areas, 90% of the population, and radio has developed into a dominating advertising medium. Because of the potential coverage inherent in radio, a demand has developed among advertisers for factual information concerning the effectiveness of the various radio programmes as an advertising medium. For the past 20 years research men have been attempting to find some means of supplying this vital information. It is evident that successful radio programmes have been instrumental in building great and prosperous businesses for advertisers, while others have apparently contributed little toward promoting the sponsor's product.

How can the advertiser, the advertising agency, and the professional radio men measure the effectiveness of their programmes? Wakeman's "The Hucksters" dramatized the "hunch" type of sponsor, but many sponsors today are not satisfied to spend their money without some positive indication of the popularity and sales appeal of their programmes.

The radio advertiser may find himself confused by the many programme ratings now furnished, all different. Which is correct? Are any correct? In Canada, Elliott-Haynes, Limited, furnishes the only regular programme ratings. Other Canadian research organizations have experimented from time to time with the other methods which will be discussed in this article. The Bureau of Broadcast Measurement, a Canadian co-operative, furnishes station audience information on the various Canadian stations. Sponsors in the United States, however, may have regular ratings furnished by the coincidental, day-part recall, mechanical recorder and printed roster methods of listener testing. As Canadian advertising expenditures increase and selling becomes more highly competitive, these and other testing methods will undoubtedly be made available to Canadian advertisers.

It may, therefore, be useful to explain the principal techniques now used and evaluate each briefly. An attempt will be made to analyze

both the technique and validity of the information which is compiled by the research organization.

The Coincidental Method

The radio testing technique most familiar to Canadian advertisers is the coincidental method. Coincidental ratings are furnished by Elliott-Haynes, Limited, in Canada and by C. E. Hooper in the United States. Until about a year ago, the Co-Operative Analysis of Broadcasting, sponsored jointly by the American Association of Advertising Agencies and the Association of National Advertisers, also had a coincidental rating service; today the C.A.B. makes no regular radio reports. The method is termed "coincidental" because the audience is contacted while the programme is being broadcast. Since house-to-house interviews have never proven satisfactory under this method, the present reporting associations contact the listeners by phone. Elliott-Haynes asks the listeners the following questions:

1. "Were you listening to your radio just now?"
2. (If "yes") "To what programme were you listening please?"
3. "Over what station is that programme coming?"
4. "Can you tell me what advertiser puts on this programme, or what product or service is advertised?"
5. "Would you be good enough to tell me how many men? how many women? and how many children are listening in your home at the present time?"

Elliott-Haynes interviewers operate during two weeks in each month. Throughout the first week calls are made on all rated programmes appearing on the air between the hours of 6 p.m. and 10:30 p.m. daily. During the third week calls are made on all rated programmes appearing between the hours of 9 a.m. and 6 p.m. daily, except Sunday. English programmes are rated on the basis of at least 1,660 coincidental telephone calls monthly in fifteen major Canadian markets. French programmes are rated on the basis of a minimum of 500 calls monthly among four major cities in French-Canada. (Please see EXHIBIT I.)

EXHIBIT I

Information Supplied to Advertiser by Coincidental Method

On the basis of this information the following information is furnished for each programme.

1. Sets on use index—percentage of radio homes whose sets are tuned in to any and all programmes at a given time.
2. Potential audiences—percentage of homes when one or more persons are at home, awake and available for listening at a given time.
3. Percentage of potential audiences—sets in use as a percentage of potential audience.
4. Programme rating—percentage of radio homes whose sets are tuned to a given programme at a given time.
5. Percentage of audience—programme rating as a percentage of sets in use.
6. Sponsor identification—percentage of listeners correctly identifying sponsor.
7. Audience composition—breakdown of listeners into men, women, and children.

Since the listener is forced to name the specific programmes, the rating will include those persons consciously impressed with the name of the sponsor and the product advertised. The definition of just what constitutes "listening" is left in the hands of the respondent. There is no assurance that a constant definition of "listening" will be applicable, since some respondents may be engrossed in a programme, while others will be reading or playing bridge. There is also danger of confusion in cases where there are two or more radios in the home. The first question may be construed as singular or plural "you", but the last question clears this up to some extent. Although "listening" is constant to the extent that conscious impressions are required, there is an area in which distortions may occur because the respondent must make decisions throughout the telephone interview.

The coincidental method is both cheaper and more expedient than most of the other methods used. A large number of persons may be reached by telephone with a minimum expense. The results may be easily tabulated and the information may be furnished the advertiser within a relatively short time. The time element may be quite important especially to the sponsor of a new, high-cost programme.

Although the sample size under the coincidental method may be adequate, the technique can be seriously questioned regarding how representative it is of the listening public. It is, of course, limited to urban, telephone homes. Also, fewer persons have telephones than have radios. Although such a sample is quite adequate for some

product usage, it is not for others. Buying habits, as well as listening habits, are in some cases quite different in rural homes, but it is financially impracticable to contact these rural and small town homes. The method is limited to the hours between 8 a.m. and 10:30 p.m. Sponsors of a programme appearing at times other than this have to depend on different guides as to the size of their radio audience. The coincidental research people cannot take the chance of incurring the ill will of listeners by calling up at hours other than those stated. The whole urban population is equally accessible, but busy signals, refusals to talk, misunderstanding (especially on the part of children), deliberate misrepresentation, and errors in reading dials may seriously limit the validity of the results.

The advertiser is furnished with a breakdown by age and sex, but he does not obtain the detailed knowledge he would like in order to analyze listening. For products of a specialized nature appealing to a limited audience, a breakdown by occupation, income group or other classification may be very important. Some attempts have been made to classify the listeners according to income groups but the results have not been wholly satisfactory.

To measure the sales effectiveness of the programmes tested, coincidental research men usually use a system of "verified" and "non-verified listeners." The listeners are called back at some later date and asked if they use certain products and then if they have ever listened to the advertiser's programmes. Persons who say they listen to the client's programme are "verified" listeners and those who do not remember the programme are "non-verified". These two groups may be compared, as far as product usage is concerned, with the non-listeners. The same sort of test may be conducted on a personal interview basis. Results indicate that more "non-verified listeners" use the sponsors' products than "non-listeners", but this information is again subject to all the limitations of telephone information.

The Mechanical Recorder

The mechanical recorder or "audimeter" is the basis of the radio research carried on by the A. C. Nielsen Company, which claims to be the "world's largest research operation". Programme ratings are furnished at present from an area covering 60% of the United States. The company has not as yet used the method commercially in its Canadian organization. The "audimeter" is a graphic recording instrument which is installed in the radio receiver in a selected home. It records on a tape the time at which the set is tuned on and off and

the stations to which it is tuned for a period of a month. This monthly record occupies a piece of tape about 100 feet long. The tapes are collected and taken to a central office where they are decoded and the information can be converted to punched tabulating cards. From these cards are produced the various reports for the Nielsen clients. Where there are two or more radios in one home it is necessary to have a mechanical recorder in each if accurate listening data is to be collected.

According to the Nielsen "Researcher" the client is furnished the following information: homes using radio, programme ratings for all sponsored network shows, types of audience, minute-by-minute audience, audience flow, holding power, holding power analysis, turnover, frequency of listening, programme duplication, coverage factor, station audience in three primary areas, programme testing facilities in four areas, network ratings, data on non-network programmes, audience for spot announcements, audience for network sustainers, programme costs, homes per radio dollar, programme cost per commercial unit, commodity distribution, brand distribution, continuous product user life, annual consumption per using home, sales per radio dollar, special reports requested.

Since the mechanical recorder is used in conjunction with a fixed sample, much of the validity of the results will depend upon the extent to which the sample is representative of the whole listening population. It is not, like the coincidental method, limited to urban, telephone homes. At present Nielsen is using 1,300 audimeters to sample 60% of the population of the United States. Since over 90% of the tapes are usable, the final sample constitutes about 1,100 readings. The sample is determined on a county-by-county basis with the homes within the county selected on the basis of city-size, family size, number of rooms, education, occupation, income, type of dwelling, and number of radio receivers in the household. Insofar as the county sample is laid out on the basis of station and network competition,—an extremely difficult variable for which to adjust—, the sample is satisfactory for network programme ratings. It is questionable, however, how valuable such a small sample will be in some of the ultimate breakdowns. Some of the breakdowns are based on a very few homes with the result that a change in brand or listening in a single home will make a significant change in the final results.[1]

[1]In an address before the Radio Executives Club, New York, Nielsen stressed the importance of comparing sample size on the basis of radio minutes rather than homes dialed. On the basis of homes called, the coincidental method of course reaches a much larger sample. Nielsen points out that his 1,000 audimeters reach 1,000 homes each minute whereas Hooper reaches only 35 homes.

The mechanical recorder has the advantage of furnishing a continuing base upon which all broadcasts can be judged. The same families are studied throughout the month, and a graphic picture may be drawn of the listening habits of these particular households. It is, therefore, equally applicable to all broadcasts received by the household. Through this base the flow of attention from one broadcast to another may easily be charted and a general listening pattern drawn up. The sponsor may thus consider the popularity of preceding and following programmes in making decisions in regards to one particular programme.

To the extent that the sample of a particular "brand-using" population is representative, the brand and sales information obtained under this method are quite valuable for the radio sponsor. Monthly product inventories are taken in the test households of all network radio advertised commodities with complete brand information on these commodities. On the basis of this information, the sale of a particular commodity may be compared with the buying habits of the population. The sales per radio dollar is computed by dividing the programme cost for a specified time into the sales for that time as computed on the basis of the pantry audit.

One of the basic limitations of the mechanical recorder method is the difficulty of measuring listening in comparison with "radio turned on". It is obvious that radios in many households are turned on when no one is paying the faintest attention to the programme being broadcast. Most of the other methods require a conscious recognition of having listened to the programme. Where we are dealing with small samples a few "let-it-ride" households who leave the radio on all day may seriously distort the final results. Attention within a house may vary according to the time of day or the season. Attention is thus variable.

Like most of the other methods there is no certain test of "votes against" a programme. To some extent short-time tuning may be construed as a vote against a programme, but there is no means of comparing such tuning with "votes for" a programme. For instance, is a person who tunes in on the Fred Allen programme just while "Senator Claghorn" is on the air registering a vote against that programme? Although complete information may be furnished on the household as a unit, there is no breakdown of the age, sex, occupation of individual listeners to the various programmes. There is no way of distinguishing which programmes are listened to by the children

and which by the housewife who will decide to buy the product advertised or a competing product.

The mechanical recorder is a somewhat more expensive means of furnishing information to a client than any of the other methods. In relation to the huge appropriations spent for radio advertising, however, even this cost is relatively insignificant.

The "Listener Panel" or "Diary" Method

Although no radio service is at present supplying broad "listener panel" or "diary" reports, many research men see in it a great potential source of radio listening information. Dupont used the method some years ago in studying the effects of various commercials on the "Cavalcade of America" programme. Certain large media research and advertising agencies have used the listener panel as a part of their extensive consumer panel studies.

Selected listeners are asked to keep a complete diary of their radio listening for a specified period of time. They are asked to record the time and names of all programmes to which they listen and what members of the family listened to each. This information may indicate the decline and rise of attitudes, opinions, preferences and subsequent interviews and behaviour of listeners. From this data is computed the programme audience size, duplication of listening to programmes of the same sponsor, frequency of listening to any one programme, audience flow, sales effectiveness of advertising, product flow, growth or decline in interest, hours of listening per day, composition of audience, and the relative appeal to population sub-groups.

There is no need to repeat those dangers inherent in a fixed sample which were discussed in conjunction with the mechanical recorder since they are equally applicable under this method. In other respects, however, the panel is quite different in application from the mechanical recorder.

It may be quite difficult to evaluate the validity of the diary kept by the listeners. Some listeners will be quite conscientious in keeping such a diary, while others may try to recall what they listened to after a considerable lapse of time. Some present or remuneration is usually made to the listener for keeping the record, but even this does not insure his keeping completely accurate information. Few listeners will, for instance, bother to record very short listening periods, while such information may be extremely valuable to a

sponsor. Others may not have the correct time and may err in this respect as far as recording is concerned.

A great deal of valuable product information may be obtained under the diary method. All the information collected by the mechanical recorder method is potentially available under this technique. A pantry audit is usually conducted periodically among the panel members. Complete brand and product usage is, therefore, available.

This method is superior to the recorder method in providing a breakdown of the audience members, since the listener will record what members of the family are listening to each programme.

Since other media may be tested at the same time in the household of the panel members, the consumer panel possibly will give a better picture of radio advertising in relation to other media than the other methods. Product usage can be traced more easily to specific advertising. It would, however, require a large panel to have information among all the sub-groups that would be valid when broken down.

The Day-Part Recall Method

Although Crossley, the principal user of the day-part recall method, did some testing in Canada several years ago, there is no day-part recall service operating at present. The Co-Operative Analysis of Broadcasting adopted this method in 1929 and used it until the coincidental technique was substituted. Listeners are contacted by telephone and asked what programmes they listened to during a specific interval of time. In the early stages listeners were asked what programmes they had heard during the past twenty-four hours.

In 1940 the C.A.B. shortened the recall period to two hours and in 1942 adopted an overlapping method of interviewing. The move was made to equalize from programme to programme the length of time elapsing between the broadcast of a programme and its recall measurement.

Most of the limitations inherent in any telephone method of testing are found in the day-part recall method. Like the coincidental technique it furnishes no complete analysis of the listeners as to economic status, race, religion, or other desired classification.

One of the principal reasons the C.A.B. discarded the day-part recall technique was its reliance on memory. Older programmes tend to be remembered better than newer ones. Length of programme, popu-

larity of station and network, sponsorship and names of featured stars all influence to some extent the listeners' ability to recall specific programmes. It may be argued, however, that if the programme does not make enough impression on the mind of the listener to last two hours, the mind of it is not effectively carrying through the message of the sponsor. Here again the respondent is left pretty much to his own definition of what constitutes "listening".

The recall method cannot furnish a constant base for programme ratings. Where the coincidental rating, for instance, can furnish a base in the form of homes called, including those in which no one is at home, the recall method must consider only those homes in which someone answers the phone. We, therefore, find higher ratings in the summer when many people are out for the evening walk or drive or in sections of the country where the people do not tend to stay home during the entire period covered. Variations in what Chappell and Hooper in "Radio Audience Measurement" call the "at home now but not at home then" population within the homes covered by a recall study tends to provide some variation. Persons who have recently returned home will be more likely to have listened to a broadcast a few minutes before than two hours before. If, however, the sample were distributed sufficiently over a given period the variations should be leveled out to some extent.

The day-part recall seems to be most useful in comparing areas or population sub-groups with each other. If a study in London, for instance, showed thirty per cent of the audience listening to a certain programme this figure might be compared with the results of a similar study in Toronto which showed twenty-five per cent listening to the same programme. We could conclude roughly that the programme was twenty per cent more popular in London. The recall method is a relatively inexpensive method of gathering such information. We would be hesitant, however, in comparing this figure with our competitor's programme which is broadcast the following night.

Printed Roster Method

Another recall method which is used periodically by research organization is the printed roster method. A printed list of radio programmes is presented or read to the respondent by an interviewer who asks which of these the listener has heard within a specified period.

The memory variables mentioned in the discussion of day-part recall apply also to the roster method. Since the lapse of time is

ordinarily much greater than in the day-part recall, these limitations are accentuated under this method.

On the other hand the sample may be more carefully controlled than under other recall methods or the coincidental method. Area sampling may be scientifically worked out and all the classification data needed may be collected by the interviewer. The interviewer may be instructed to gather any additional data needed by the client.

The interviewer must be cautioned not to give the respondent any help with the question. A question worded, "Do you ever listen to Duffy's Tavern?" will receive a lower rating than one worded, "Do you listen to Duffy's Tavern over Station CFPL on Wednesday evenings?" With a little help any particular programme rating can be boosted considerably. Where a large number of interviewers are used it is important that all questions asked be exactly the same.

The position of a programme on a roster may also influence the rating. By changing the position of a programme listing on the roster the rating may be altered. Long rosters will tend to give bad ratings and short ones good ratings for all programmes listed.

The roster is used quite extensively in certain specialized studies. It provides a quick, inexpensive method of obtaining radio listening information in conjunction with more general studies. In a study in which products on hand are related to all advertising reaching the household, the printed roster may be quite helpful. The interview technique limits the sample to a small portion of the population, but complete sales information may be collected by the interviewer when the roster is presented. Information concerning other media might also be collected and some broad conclusions may be reached concerning the effect of various radio programmes and various media on purchasing. The roster supplies a basis of collecting information on a wide variety of radio programmes during one interview.

The roster will supply general information with which to compare the popularity of programmes in various areas or population groups. It should not be taken as an indication, however, of audience size.

Combination of Methods

A possible means of overcoming some of the limitations of the various methods discussed is to use them in combination. It is difficult, however, to find any combination which will supply completely reliable information. The problem in any sort of combination is the reduction of the statistics to some common basis of comparison.

The combination of the coincidental and printed roster methods makes possible the expansion of ratings into the small cities and rural homes not covered in a telephone survey. This combination also allows more detailed study of any sub-group of the population not accounted for in the straight coincidental technique. Such information as flow of listening and duplication of listening to one sponsor's programme is provided. In certain specialized cases such information may be extremely helpful to a sponsor.

The coincidental method is sometimes used in combination with either the panel or mechanical recorder to obtain breakdowns of listening sub-groups. The breakdowns are applied to the coincidental ratings and "computed coincidental" ratings are supplied.

For special studies the coincidental research organizations often make house-to-house surveys to obtain sub-group information and information on buying habits. Many of the non-telephone homes in the middle and lower income groups are checked in this manner. In order that the information may be reduced to a comparable base the coincidental technique is also used in the interview. This combination is, however, quite expensive if conducted on a large enough basis to furnish reliable results.

One combination which offers distinct possibilities is that of the mechanical recorder and the panel. Providing the panel is reliably kept, a household breakdown is furnished. We have here the reduction of the ratings to a comparable base.

Conclusion

Since radio is just one medium of advertising promotion, those methods which study it in relation to other media will probably prove most valuable in the future. Although unlike other advertising it is a one-time impression, it cannot be studied without some idea concerning its place in the selling programme. Methods must be developed which will isolate the effect of radio from other advertising.

Since many network radio programmes represent a yearly expenditure of several hundred thousand dallars, advertisers will undoubtedly demand constant research and development of the most effective tools possible for checking radio advertising. All of the present testing methods have limitations that can be lessened through constant research. There is a great need also for some method of pre-testing radio advertising in order that the best possible advertising may go out over the air.

TRADE MARKS IN CANADA

By A. L. McLOUGHLIN
D. EGENER

FEW matters of equal concern are less well understood by Canadian manufacturers and jobbers than that of the trade marks or design marks which they apply or hope to apply to their product. They know, however, that the advantages of having a readily identifying brand on the market increase in importance as the brand itself expands in prestige over the years, and that it is in these latter times that the earlier wisdom of choosing a registerable trade mark defensible against all usurpers becomes most apparent. This article outlines for such business men the elements which must exist in a word or series of words in order to constitute a trade mark and also points out the factors which must be present if the trade mark can be retained exclusively by one producer by registration or otherwise.

A. Selection of a Trade Mark

The basic function of a trade mark is to identify its owner's goods on the market. The mark is valuable both to the producer and to the consumer for it indicates a tradition of value and quality established through long trade practice. In this sense, the prestige of the trade mark symbolizes the good will of the business. Usually the consumer has a high degree of confidence in nationally famous trade marks, a confidence that must have basis in satisfactory experience. This confidence is based on sound logic for the trade mark places the responsibility at the source and not in some intermediary. The intermediary who advises some unsatisfactory product can excuse himself but the sponsor of the product has to make good.

The essence of a good trade mark is distinctiveness. To be registrable as a trade mark, the mark must be adapted to distinguish the goods of the proprietor from those of other traders in similar wares. Obviously, to be distinctive, the mark must not be too similar in sound, appearance or significance to other trade marks already in use. Careful planning and investigation are necessary before the mark can be placed on the goods, to ensure that it is truly distinctive.

In Canada there are four classes of marks that normally cannot constitute a trade mark; these are:

1. Descriptive or misdescriptive words
2. Geographical words
4. Untruthful representations
3. Proper names

The first three groups are objectionable as being generic while the last, being fraudulent, cannot be sustained by action in courts of equity.

1. Descriptive or Misdescriptive Words

The greatest number of legal actions come in this category. Products can be advertised more effectively under a descriptive trade mark, for the mark itself makes the nature of the goods apparent. (Similarly it is easier to launch a new product under a descriptive mark for the dual functions of making the mark a household word and tying the good will to the particular source are accomplished simultaneously through the advertising process.) The qualities of the descriptive trade mark accounts for the attraction of business men to this type.

While it would seem advisable to link together the distinctive qualities of the product into some descriptive word or phrase, (in Canada, however), such a trade mark could probably not be registered, for generally such words are free to all who make legitimate use of them. Examples of such descriptive marks are "good", "superior", "super-fine", etc.

In the case of Canadian Shredded Wheat Company vs. the Kellogg Company of Canada, Limited, the court declared that the trade mark "Shredded Wheat"[1] was invalid as it was descriptive of the goods and of the material of which they were composed. Thus, any manufacturer is free to call his product "Shredded Wheat", so long as he does not attempt to pass his product off as that of another producer.

Similarly, the trade mark "Semi-lustre"[2] as applied to paints, enamels and varnishes, was held to be descriptive and so unregistrable in Canada. The trade mark had been registered in the United States for years preceding the Canadian application for registration. The court, however, held that registration in the "country of origin" was immaterial when applying for Canadian registration.

[1]1939 Exchequer Court (Canada) Reports 58
[2]Sherwin-Williams vs. Commissioner of Patents 1937 Exc. R. 205

Words which were orginally descriptive may have their primary meaning obliterated and become distinctive by attaining a secondary meaning over a long period of public use. In such a situation the onus is on the person applying for registration to prove that the word has acquired a secondary meaning. The most striking example of this was seen when the English courts upheld a manufacturer in his use of "camel's hair belting" as a trade mark although the words were clearly descriptive of his product. This decision was based upon the overwhelming evidence, presented by the manufacturer, that the name meant to the public mind goods from one source alone.

It will be seen, therefore, that there is a class of ordinary words, which, as applied to certain goods, falls within the category of laudatory of commendatory epithets, not capable of appropriation as trade marks. The word in question may, however, be merely laudatory as applied to particular goods but quite distinctive as applied to other goods. Thus, Neville, J., in Henry Thorne and Company, Limited, vs Sandow, condemned the word "Health" as applied to cocoa, although he suggested that it might be a valid mark as applied to fishing rods.

In the same class as laudatory epithets and hence incapable of being registrable as trade marks on the ground of non-distinctiveness are words which are common to the English or French languages, as e.g., "Standard", "National", "Gold Medal", "Gold Leaf", "King", etc.[2]

When a new article is manufactured under a patent, the name by which the article is known becomes public property after the patent rights expire. The name under which a patented article is marketed is not available as a trade mark after expiration of the patent rights. The right to manufacture the article has become public property and so too has the name by which the article is known. (This rule applies even if the owner of the patent has been the only person manufacturing the article and distributing it on the market under this mark.) The principle behind this rule is that the registration of the name of the patented article as a trade mark would merely prolong the monopoly that the owner had benefited from under the patent protection. The trade mark under which the article was sold would have become generic in the sense that it identified that type of product. If the patentee can prove that the name has acquired a secondary significance by identifying the article as that of a particular manufacturer, then the mark can be properly registered. This ruling is illustrated in the "Shredded Wheat" case.

[1]Reddoway & Bookman 13 Report Patent Cases 218
[2]Canadian Law of Trade Marks and Industrial Designs, William G. Fox, page 71

An interesting point of law was recently illustrated in the Fisher C. Fairall vs. British Columbia Packers Limited case regarding the corruption or misspelling of a laudatory epithet. The trade mark in this instance was "Sea-lect" which was applied to various kinds of fish products. It was established that "Sea-lect" was merely a corruption of the word "Select" which was a laudatory epithet and so incapable of registration. The court arrived at the following decision: a laudatory epithet including any corruption or misspelling of it would not be made the subject of registrability as a work mark, no matter what the extent of its use may be. (In this connection, there is an important distinction between word marks and design marks; the former appeal to the ear as well as to the eye, whereas the latter appeals to the eye only.) It follows that a word should not be registered if the spelling is phonetic and resembles in sound a word of French or English which in its proper spelling could not be registered as a trade mark.

To qualify for registration a word mark must not contain more than thirty letters or numerals divided into more than four groups.

A descriptive proper name or geographical name may be registered as a valid trade mark on declaration by the Exchequer Court that the mark possesses, through wide public use, a secondary meaning indicating the goods to be of one source only. Frequently, the decision of the Registrar of Trade Marks has been reversed, permitting registration of marks that had previously been refused. Some authorities criticize this provision as to secondary meaning in Canadian trade mark law saying that the way has been opened for legal protection of names which would not otherwise have merited such consideration.

A selected list of words which have been held to be descriptive or misdescriptive of the character or quality of the goods:

Mark	*Goods to which applied*
Anglo-Portuge	oysters
Absetic	wall plaster
Charm	hosiery
Chicken-Haddies	fish
Consoletti	gramaphones
Crunch	confectionery
Diamine	Amine dyes
Gramaphone	talking machines
Guaranteed	corsets
Hall-marks	silverware

Health	biscuits
Naptha	soap
Nectar	tea, coffee, cocoa
O'cedar	furniture polish
Palmolive	soap
Parchment Bank	paper
Rubberset	shaving brushes
Staz-on	eye glass frames
Valvoline	oil

2. Geographical Words

Section 26 (c) of the Unfair Competition Act prohibits the registration of words which are indicative of the place of origin of the goods. A geographical word, like a descriptive word, is objectionable for not being distinctive. Any person from the place of origin is lawfully entitled to mark his goods with that place of origin. The trader may be protected from imitators only after he has proven that a secondary meaning has been acquired.

Many fanciful, geographic words have been adopted with success for usually this type of trade mark develops the required distinctive quality within a short time, for example, "Plymouth" for cars, "Paris" for garters, and "Waltham" for watches.

This section of the Act would seem to be fairly well understood by Canadian business men, for there have been no recent legal conflicts dealing with geographical marks denoting origin. The following words are included to illustrate marks that have been held to be objectionable on this count:

Word	*Goods to which applied*
Boston	footwear
Caledonia	universal water
Eboline	silk piece goods from Eboline, Italy.
Livron	tonic medicine (French)

3. Proper Names

A family name was once considered to be the best type of trade mark to indicate the original owner or manufacturer. Such a choice today would be extremely dangerous if the owner wished to register his mark. [The purpose of a trade mark is to gain a monopoly over

a name which will distinguish the source and not the manufacturer or the quality of the product.]

Under the British Trade Marks Act of 1938, the name of a company, firm or individual is good subject matter for trade mark registration, although not if in ordinary handwriting or printing. The Canadian Act expressly forbids the registration of such marks regardless of their form. Since the passing of the Unfair Competition Act, however, Rule 10 of the Trade Mark Office was passed which provided that a trade mark consisting either of a surname, a geographical name or an adjective could be registered as a specific trade mark if the user could prove that the mark had become adapted to distinguish his goods by acquiring a secondary meaning through long-continued and extensive use in Canada.

Few of the proper names in use as trade marks are registered as the above paragraph would indicate. The person who adapts such a trade mark must take with it certain disadvantages. Under common law, any person of the same name may use it to mark his product. There is nothing to prevent another person from making use of the name for even the same line of goods so long as he doesn't attempt to deceive the consumer. The competitor need only take care that an explanatory note accompanies the name as evidence of an attempt to avoid confusion. The name of "Chickering" for pianos, "Webster" for dictionaries, and "Waterman" for fountain pens have all been used by competitors with complete legal protection provided that there was no attempt to pass off their goods.

"It has been held that initials are in the same class as surnames in that they can be registered only if it can be shown that they have acquired a distinctive meaning, for unless they have become adapted to distinguish, their registration would prevent existing and future parties having the same initials from using their own initials to indicate their own goods. The mere phonetic spelling of initials to form a word will not overcome the difficulty."[1] A signature or surname printed in a distinctive form can be registered, but to reverse the spelling of a surname doesn't overcome the objection contained in the statute.

Similarity to Previously Registered Marks

To be distinctive, a trade mark must be different from other marks used upon or in connection with the same class of goods. If

[1]Canadian Law of Trade Marks and Industrial Designs, H. G. Fox, page 97

the registration of a new mark would be liable to cause confusion with a previously registered mark, the Registrar would probably refuse the new application. The newcomer has the entire field in which to select his trade mark so there is little excuse for him to imitate the mark of a business rival. If the mark was registered, the owner would benefit from the reputation and good will that his competitor had developed.

If a word mark is suggestive of a previously registered design mark, it will also be refused registration and vice versa. This type of mark will be discussed further under Protection of Trade Mark Rights.

4. Untruthful Representations

A valid trade mark must be truthful; if any false representation is contained, the mark will not be given protection, even though it may possess all of the previously mentioned qualities. The most common cases of untruthful representations come under "passing off" and "infringement" actions which will be discussed in a latter section.

Ordinarily the word "patent" or "patented" cannot be used as part of a trade mark if the article hasn't patent protection. In a number of cases, however, the word "patent", as applied to unpatented goods, has been held to be not misleading, firstly, where the nature of the case is unlikely to mislead; secondly, where the market name of the goods comprises the word (patent leather); or thirdly, where the goods are made according to an expired patent and the mark so indicates.

It is also a misrepresentation to indicate on a label anything that misleads the public as to what is the actual trade mark claimed by the owner. The use of the word "trade mark", however, within the label is not necessarily misleading. The actual decision as to what is and what is not misleading varies in nearly every case. It may be said, however, that any misleading statement within the trade mark itself will be held to deceive the public.

The following words were refused registration as too nearly resembling a mark already on the register or in previous use:

Mark Offered for Registration	*Previous Mark*
Ancross	represention of an anchor
Brick	Brico
Camay	Cameo

Crystalate	Crystalite
Erectiko	Erector
Motricine	Motorine
Design of one large and three little pigs	Three Pigs Brand
Scheikt	Sunlight
Triangle	Mark including triangular device
Ucolite	Coalite

The following marks were allowed registration and were held not to deceive by resemblance to previous marks:

Mark Offered for Registration	*Previous Mark*
Abermill	Hammermill
Arlette	Ardenette
Stanwal	Stanwell
Swankie	Swan
Pup	Design mark of a dog listening to a gramaphone.

6. Prohibitions Against the Use of Words of Official Character

Section 14 of Unfair Competition Act—

14 (1) No person shall be entitled to adapt for use in connection with his business, as a trade mark or otherwise, any symbol consisting of, or so nearly resembling as to be likely to be mistaken for:—

(a) The Royal Arms, Crest or Standard.

(b) The arms or crest of any member of the Royal Family.

(c) The national flag in any of its forms.

(d) The standard, arms or crest of His Excellency the Governor-General.

(e) The arms or crest adapted and used at any time by Canada or by any province or municipal corporation in Canada.

(f) Any national flag, arms, crest or emblem commonly used as such by any foreign state.

(g) The emblem of the Red Cross Society, consisting of a red cross on a white background or the expression "Red Cross" or "Geneva Cross".

(h) Any national, territorial or civic flag, arms, crest or emblem

of the prohibition of which as a commercial device notice has been received and publicly given by the Registrar pursuant to the provisions of the Convention more than two months before the adoption of the symbol.

(i) The emblem of any fraternal society, the legal existence of which is recognized under any law in force in Canada.

(j) Any symbol adopted and used by any public authority in Canada as an official mark in similar wares.

(k) The portrait or signature of anyone who is living or has died within thirty years.

(2) Nothing in this section shall prevent the use as a trade mark, or otherwise in connection with a business of any such symbol as aforesaid with the consent and approval of His Majesty or such other person as may be deemed to have been intended to be protected by the provisions thereof.

The only recent contest on this point is the Simms & Company, Limited, vs. the Commissioner of Patents case in 1937, where the Crown as shown in Royal Coat of Arms was sought to be incorporated in a trade mark.*

7. Arbitrary or Fanciful Marks

Building or acquiring rights in descriptive, geographic or personal name marks is a difficult and often fruitless labour. After ten or twenty years of striving, the user of such a mark may find that he has acquired no proprietory rights. To retain his monopoly over such a mark, the owner may have to go through a series of expensive contests and litigation.

These choices being ruled out, the businessman is faced with a difficult task. He must concoct a fanciful or arbitrary name which will be truly distinctive and have no counterpart in the consumers' minds. These marks gain legal protection on first use, for they cannot be associated with the product of any other manufacturer. Valuable trade marks such as "Kodak", "Chiclets", "Vaseline" and "Buckingham" are of this kind. Each of these has come to mean a single thing from a single source and has given its proprietors monopolies protected in almost every country in the world.

The benefits of selecting an arbitrary trade mark become more apparent as the business enlarges and expands, for while the tempta-

*1938 Ex. C. R. 326

tions to competitors may be stronger, the excuses for infringing are less.

Having selected a good trade mark, the owner must take steps to insure its protection and the security of his monopoly. There is a danger in the ease with which his arbitrary mark may become assimilated into the language. If the product is new and has no widely known generic name, it is possible that the word mark may come to be known as the product itself. For example, the maker of a transparent cellulose wrapping material marked as "Celephane", was constantly in legal difficulties, for competitors contended that they couldn't compete unless they called their goods "Celephane" for the chemical name was too complicated. In this case, the court held that the mark had been a good arbitrary trade mark, but because of its popular use as the name of the goods, it should be available to all manufacturers, so long as they prefixed their own name to the mark. Similar disputes have arisen over other trade marks such as "Aspirin", "Kodak" and "Linoleum".

The proprietor must be constantly on the alert to protect his trade mark against unfair competition. As the trade mark becomes more valuable, this precaution becomes more necessary. Any hesitation in the prosecution of actions for infringements may result in his having to share his trade mark ownership with others.

It has been suggested that the manufacturer of a newly-invented product should coin a simple generic name for the article and dedicate the name to industry and the public. He should follow this up by instructing the consumers in the use of the term. At the same time, the manufacturer should employ a different trade mark entirely to identify his particular wares. In this manner, he may lessen the risk of some day losing his most valuable asset.

B. Protection of Trade Mark Rights

The title to a trade mark is acquired by adoption to use, and a trade mark becomes the exclusive property of the user as long as it denotes his goods on the market. Registration does not make the party proprietor of the mark; he must be the proprietor before he can register it. Registration under the Unfair Competition Act serves merely to confirm the title to the trade mark.

Let us assume that the trader has adopted a suitable mark, has placed the mark upon his goods and has sold them in the market.

What methods can he employ to prevent rival traders from copying or imitating his mark?

The proprietor of a registered trade mark may sue for infringement under the Act. In this action, the plaintiff complains that the defendant has infringed by taking his mark in its entirety, by taking a substantial part of it, or by colourably imitating it. It should be emphasized that registration is a condition precedent to suit for infringement. In such an action proof of actual deception is unnecessary; the only question is whether or not the alleged infringing mark is likely to mislead or deceive the public. The onus of proving that the mark will not deceive the public is with the defendant.

An interesting infringement action took place in 1937 when the Coca-Cola Company of Canada Limited* sued the Pepsi-Cola Company of Canada. The Coca-Cola Company claimed that the trade mark "Pepsi-Cola" was an infringement of its trade mark "Coca-Cola". In this case, the court decided in favour of the defendant and established the following precedent:

In deciding whether there has been an infringement of a trade mark the proper course is to look at the marks as a whole, and not to disregard the parts that are in common. The following factors must be taken into consideration:

—the nature of the goods to which the marks are applied.
—the similarity of the goods regardless of their dress.
—the nature of the market.
—the class of people likely to become purchasers.
—the probability of deceiving the unwary or uncritical purchaser.
—the appeal to the ear as well as to the eye.
—the opportunity afforded retailers and their employees to practise deception upon the unwary customer.
—the liability to error and confusion in transmitting and receiving telephone orders.
—the affect of the tendency to abbreviate trade marks which readily lend themselves to that practice.
—the fact that the first registered mark had been long and widely known.
—any other special features associated with the trade marks in

*1938, Ex. C. R., 263
*Coca-Cola Co. of Canada Ltd. vs Pepsi-Cola Co. of Canada Ltd.,

conflict, illustrated in this particular case* by the conspicuous scroll effect or flourish in the formation of each mark.

Actual deception is not required to be proved; the test is whether the plaintiff's trade mark has been substantially copied and the copy, in the opinion of the court, will probably deceive.

In the British Drug Houses Limited vs. Bottle Pharmaceuticals case in 1943, Justice Maclean offered several interpretations of the law regarding the principle of comparing two similar marks: "In a dispute as to whether two trade marks are similar, a witness may give evidence as to the effect the marks in dispute would have on his own mind, he may not, however, state his opinion as to the effect the marks in dispute would have on the mind of someone else. Such evidence should be rejected as inadmissable, for where there is a likelihood of confusion in the minds of dealers or users as a result of the use of a mark, then it is a matter upon which the opinion of the court is required.

"In determining whether the registration of a trade mark should be expunged because of its similarity to a mark already registered for use in connection with similar wares, it is not a correct approach to the solution of the problem to lay the two marks side by side and make a careful comparison of them with a view to observing the difference between them. They should not be subjected to careful analysis. The court should put itself in the position of a person who has a general latter mark by itself. If such a person would be likely to think that and not a precise recollection of the earlier mark and then sees the the goods are put out by the same people that put out the goods sold under the mark of which he has only such a recollection, the court may then properly conclude that the goods are similar.

"That when trade marks consist of a combination of elements, it is not a proper approach to break them up into their elements, concentrate attention upon the elements that are different and conclude that, because there are differences in such elements, that the marks as a whole are different. Trade marks may be similar when looked at in their totality even if differences may appear in some of the elements viewed separately. It is the combination of the elements that constitutes the trade mark and gives distinctiveness to it."

The words in question in this case were "Multivims" and "Multivite". The court declared that the words were similar and that the trade mark "Multivims" should be expunged from the register as the other mark had been registered previously.

*1938 Exchequer Court Reports at Pages 288

The user of an unregistered trade mark has protection through the common-law action for "passing-off". It will again be noted that only the user of a registered trade mark under the Act may sue for infringement. The action for infringement is a specialized form of the action for passing off. The distinction was shortly put by Lord Tomlin of the House of Lords:*

"The distinction between the cases in which the remedy for infringement of trade mark and the remedy for passing off are respectively appropriate has often been stated and is not in doubt. The first remedy is available where there is a violation of the specific property right conferred by trade mark law. The second is available apart altogether from trade mark right where there is conduct on the part of the defendant which has led or is calculated to lead to deception."

The owner of the unregistered mark, on the other hand, is required to prove that he was the first user of the mark and that the goods bearing the mark are known in the market as his. He must also prove that goods bearing the defendant's mark are, by reason of the resemblance between the marks, likely to be mistaken for his.

The following are cases in which the plaintiff was accorded relief in an infringement or passing off action.

Trade Mark	*Mark Held To Be Calculated to Deceive*
B. S. A.	B. A. S.
Bicycle	Bicycle Series
Blue Spot	Navy Spot
Dobbs	Dan Dobbs
Honey Dew	Flora Dew
Jacques Cartier	Picture of sailor resembling Jacques Cartier
Oxo	Oxot

Cases in which the plaintiff failed to obtain relief in similar actions:

Trade Mark	*Defendants Mark*
A. B. & C.	A. B. C.
Budweiser	Bud
Colonel	Colonial

*Twing's Yeast-Vite Ltd. vs Harwood, 1934, 51 R.P.C. at 116

Horlick's Malted Milk	Hedley's Malted Milk
Gossard	Goddess
Ivy	Ivory
Lavona	Lavrona

C. Recent Developments

The Patents, Designs, Copyright and Trade Marks (Emergency) Order, 1939

"The war brought upon Canadian manufacturers the difficult problem of protecting their trade marks in foreign countries. Most countries with which we were at war suspended any proprietory rights which the citizens of allied powers might have had by license or prescription in trade marks. The Canadian government, following the procedure adopted in the last war did not see fit to do this. All patents and trade marks accepted for registration in Ottawa up to September 2, 1939, (date of the Emergency Order), are protected here and such royalities arising out of these and are owing to alien enemies are held by the Custodian of Enemy Property to be disposed of in accordance with the terms of the Treaty of Peace.

"A complex situation develops when, as in the last war, the government of the United States issues an order declaring that patent and trade mark rights of alien enemies are public property. Due to this anomaly, the very excellent trade mark 'Aspirin' belongs exclusively to the Bayer Company in Canada but to a multitude of owners in the United States.

"In all fairness to the Canadian government, it should be pointed out that the emergency war orders respecting trade marks permit the licensing of an enemy owned trade mark or design to a person who is not an enemy subject. The terms of such a licensing order are wholly within the discretion of the commissioner designated by the emergency orders. In addition to this, the registration of any enemy owned trade mark may be suspended by the Registrar of Trade Marks and Designs to permit the use of it during wartime. This is allowed only in those cases where the sale of some article in Canada demands the use of an enemy owned and registered trade mark for descriptive or reference purposes."[1]

Effect of Wartime Rationing on Branded Goods

During the war, the introduction of products under new marks was greatly retarded. It would seem natural that this would strengthen

[1]*Saturday Night*, August 15, 1942, J. R. O'Kell

the position of established brands. The prestige of many well-known trade marks was, however, adversely affected by a number of factors. Many trade marks were taken out of circulation completely by total conversion of factories to wartime production. In other instances, government purchases for the Armed Forces absorbed the entire supply of certain products. Priorities and rationing systems resulted in scarcities of some goods, so that the consumer was not able to purchase his favourite brand regularly.

The titles to the trade marks referred to were not endangered as the manufacturers retained their legal protection. The loss of recognition by the public, however, could not be stopped when there were no goods circulating in the market under the mark. The larger concerns partially prevented this loss of popularity by large scale advertising to keep their trade mark alive.

Businessmen face two difficult tasks in the near future. The prestige of their old trade marks must be regained through intensified advertising and sales programmes. The second job requires the selection and promotion of new trade marks to be applied to the multitude of new products which have been developed through wartime research.

The public has benefited from goods being trade marked during the war. The Wartime Prices and Trade Board required that trade marks and trade names should be maintained during wartime. This discouraged the owners of well-known trade marked goods from degrading the quality of their products for their trade mark's reputation would have thus been cheapened.

The problem that haunts many of the owners of famous trade marks is the increasing anti-brand movement. The proponents of this movement advocate the substitution of government grade-labelling for the present system. To offset this encroachment, many national advertisers have launched campaigns emphasizing the value of trade marks to the consumer. On the other hand, determined opponents of brands bring forward plan after plan for government identification and quality rating designed to supplant or weaken the authority of the individual maker's brand.

"While most of the manufacturers who have instituted trade mark campaigns in consumer or business paper copy naturally play up their own trade marks; every single one of them goes out of its way to sell the trade mark idea in general which means, of course, that he is

doing a selling job for his own trade marked competitors as well as for brand makers in general."[1]

It is not the purpose of this paper to deal with the merits and demerits of the brand system and the grade-labelling system, but, it was considered advisable to mention this very important and interesting development that is now in progress.

What the future will hold for trade marks denoting individual sponsorship is impossible to foresee. In the past, trade marks have been used by producer and consumer alike to distinguish one product from another. If businessmen keep faith with the public by maintaining the quality and leadership of their products, consumer confidence in their trade marks will increase.

The reader has seen in the foregoing the basic means by which he may establish a trade mark in Canada and the methods by which he may protect his exclusive claim to it. He will also be painfully aware of the difficulties which may beset the proprietor of such a mark, and the examples given above may unfortunately seem to add to his confusion. It must be obvious to him that the soundest plan is to make a careful and thorough investigation into the whole competitive field before examining the various available marks and making a choice. It cannot be emphasized too much that each proposed mark must be analyzed in the light of the Act on its own merits in relation to the product, to the market and to marks of competitors before it can be said with any degree of confidence that the mark can withstand the rough treatment of ordinary commercial rivalry.

[1]*Sales Management*, June 15, 1944, page 23

CANADA AND RADIO

By A. D. DUNTON

AS a means of communication among men's minds, the development of broadcasting is comparable in importance with the invention of printing. In twenty-five years radio has become a means of reaching the minds of great masses of people, although to become that took printing some five centuries. Because it uses sound instead of printed characters, which need mental translation, broadcasting offers a particularly simple and direct channel to people's minds. You do not even have to be able to read to listen to a broadcast. And radio has wide possibilities because it transmits not only language, but also music and other sounds. It carries artistic performance as well as thought expressed in words. In an astonishingly tiny fraction of the world's history it has become a very great means of mass communication, reaching whole nations at the same instant, and leaping high over frontiers from nation to nation.

In its nature radio has certain elements that are basic considerations in any thinking about it. To operate, any broadcasting station must have the use of a broadcasting frequency or air channel. These channels are part of the public domain of the nation, and they are limited in number. They are usually protected by international agreement. This basic fact is the same in all countries. In different nations, the same principle applies: that broadcasting channels are a limited public resource, and therefore should be used in the interests of the public to which they belong.

Different countries follow different methods in applying the principle. Great Britain has had one public corporation to develop the use of the air channels for the public. In the United States another method has been followed. There, the State grants permission to private individuals or organizations to use channels on the basis of public interest, convenience and necessity. These licenses are granted for three years at a time, and the service given by a licensee to the public on the channel is scrutinized before the license is renewed.

There is a constitutional difference between broadcasting and

publishing. Any broadcasting station, by permission, uses part of a limited public resource. It has at least a partial monopoly. In printing no publicly owned facility is involved. There is no limit to the number of printing presses that people may care to set up, or to the amount of material which people may wish to have printed, or to the distance at which they distribute it. With printing it follows that there should be pretty good freedom of expression, if no special restrictions are applied. In radio there is a limit to the number of outlets and the distance their output will reach. Therefore, in broadcasting, public rights of freedom are met only if there is assurance that different tastes and different opinions can share in the advantages of the use of the air channels.

Canada had to deal not only with the questions posed by the character of radio, but also with those set by her own nature. How could radio best be developed to serve the people of Canada? In the early days it was clear that commercial radio would tend to concentrate naturally in more thickly populated areas. But people in outlying, thinly populated districts could derive as great, if not greater, benefit from broadcasting. There was the danger, then very strongly apparent, that Canadians would have a chance to listen to very little Canadian-produced broadcasting, and would hear almost entirely American programmes coming directly through the air, the outlets of United States networks established in Canada. In other words there was a danger of Canadian radio being dominated by United States controlled interests.

Despite these difficulties it was plain that if properly organized, radio could do great service for the far-flung Canadian nation.

So it was decided that Canada must have its own national system. This publicly owned system would develop the use of air channels for service to Canadians whether they lived in cities, or out on distant farms; it would produce Canadian broadcasting for Canadians, at the same time bringing in good programmes from other countries; it would provide a national broadcasting service that would reach Canadians from coast to coast; it would be a new means of national communication and would strengthen the growth of Canada's nationhood.

So a national, publicly owned broadcasting system was set up, first under the former Canadian Radio Broadcasting Commission, and since 1936 as the Canadian Broadcasting Corporation. As in some other fields Canada has found that it suited her particular needs to use a compromise between, or a combination of, British and American

methods. Canadian conditions demand a publicly owned, publicly supported radio system if the country is to have national broadcasting. But it also became clear that private commercial stations could also provide useful service to different community areas across Canada. The national body was given the responsibility of watching over all broadcasting in the interests of the public, and also of making recommendations regarding the licensing and use of air channels. It was envisaged that the national system would absorb all other stations. Instead the national body has recommended the continuance of private community stations, and the establishment of many more. Thus we have the dual Canadian system of a public organization carrying on national broadcasting while private organizations do community broadcasting. Because of the dual nature there are bound to be certain rubs in such a system, but there is wide agreement that it is much the best suited to the nature of our country.

The public system was given an immense task to bring a national service to all Canadians who could be reached. We often talk of our great distances and vast spaces and scattered populations in connection with other questions — of politics, of transportation, for instance. I think it is not often realized what problems they present in radio. A broadcasting station will cover only a certain area. At night its sky-wave may travel up to the ionosphere and bounce back to earth at considerable distances. But the area of regular service is limited, and is greater or less according to the power of the station and other technical factors. Therefore, to reach all the Canadian public, you need a number of stations; and so that they may broadcast the same programmes, you have to link them together with land lines.

The national system has stations covering important areas of the country. Shortly it will have more filling big gaps in this full coverage. In addition the private stations have teamed with the public system in other areas to bring some of the CBC programmes to listeners in those areas. These private stations affiliated to CBC networks carry most of the commercial programmes available and derive revenue from doing so, and also carry some of the CBC non-commercial programmes fed to them on the land lines.

The national system is operating three regular networks—the Trans-Canada, stretching right across the country and composed of seven CBC stations and 17 basic affiliated private stations; the French, composed of three CBC stations and eight basic affiliated private stations; the Dominion, composed of one CBC station in the Toronto area

and 28 private stations from coast to coast. The Trans-Canada and the French operate for a full 16 hours a day, in the time of each region. The Dominion, so far, operates only in evening hours.

Thus a very big and complex and expensixe machine is needed to reach only 12 million people. In a regular day's operation, the CBC uses over 20,000 miles of land lines connecting stations—and land lines cost plenty of money. Because of our geography we need far more transmitters and more miles of wire lines than in other countries to reach the same number of listeners. And it is all expensive. Think of some comparisons. I believe it would be possible to reach about all the forty odd million people in England, Scotland and Wales with two or three high-powered transmitters, and a few hundred miles of wire lines. Think of what we need in comparison to serve only 12 million. And the British have just doubled their license fee!

Again, one station in New York City can reach a population bigger, and with a greater buying power, than the whole of Canada. Think of the extra money the CBC would have to put on good programmes if it could reach its 12 million with one station instead of the huge system it needs now. The technical and operating costs would be cut to a fraction, and there would be far more funds available for the all-important task of producing programmes.

Some people complain at times that American listeners do not pay license fees, and yet American radio produces many colossal shows that are not matched in Canada. It is true that American radio does spend sums on programmes that are away beyond the dreams of any thing possible in Canada. The answer is simple economics. The United States is a big country, too. But it has a big population. The same number of transmitters and miles of wire lines will reach a far greater number of people there than in Canada. American radio has some 400 odd millions to spend in a year. No wonder it can pay huge sums for radio stars.

Operating a nation-wide radio system is probably more expensive per head in Canada than in any other country in the world that has one. But there are other problems apart from the main one of a relatively small population in a huge and varied territory. Canadians, for instance, live in five different time zones. Think of what that means to national network operations. A programme that listeners like to hear in Halifax in the early evening will hit British Columbia in the middle of the afternoon.

A show produced in Vancouver for entertainment at a peak listening hour will be available down east after the good people of Quebec and Ontario have gone to bed. The Maritimes get up an hour earlier than Central Canada and want radio service then. The Pacific coast stays up three hours later than Central Canada, and wants service till it goes to bed. The difficulties in trying to bring programmes to people across the country at suitable times are enormous. The time differences across the country necessitate much extra programming that would not otherwise be necessary, and prevent some programmes produced in one part of the country being heard in another.

Then different regions of Canada have certain special interests of their own. Some programming has to be done to meet these special interests. Again, we believe it is part of the function of the CBC not just to send out programmes from only one part of the country; but to bring programmes from all different regions to the others. Extra cost for studios and staff and facilities again at different regional centres.

In Canada, too, we have to broadcast in two languages. In some parts of the country this means a duplication of facilities. Some programmes can be carried on both English and French network, but obviously most must be produced separately for English and French audiences. Another very considerable extra cost.

Listeners pay $2.50 a year per set to support their national system. Some people then ask why, if the CBC has this public support, does it carry commercial programmes. There are two closely related reasons. Commercials provide a number of highly popular programmes which a great many people wish to hear. I think it is a great advantage of our Canadian way that under it commercial programmes contribute to broadcasting fare offered to the public right across the country. They provide much popular entertainment, and incidentally they also provide, right on the national networks, competition and a source of comparison for CBC-produced programmes.

In addition commercial programmes provide revenues that help to support the national system. Now about two-thirds of the CBC revenues are from license fees, and one-third from commercial revenue. And it must be remembered that commercials fill broadcast time that it would cost money to programme otherwise. A $2.50 license fee is not nearly enough alone to maintain a national radio service in Canada on modern standards. Our country is far too expensive.

On the other hand, some people have asked why, if a national system is to carry commercial programmes, license fees are needed. The fact is that, apart from any question of desirability, commercialism alone is not nearly sufficient to support a Canadian national radio service in this expensive country of ours, and I believe could not be.

The points I have just mentioned are hard economic facts about radio in Canada that are inescapable. We can, and should, talk and think much about what our national radio system should do. But we must always remember that producing radio programmes and getting them to people's receivers across Canada costs money—and plenty of it. The money must be there, from whatever source it comes. The judgment and ability of those responsible for the service in using the resources on behalf of the public will, of course, make a great difference. But they cannot do things for which the money is not available.

For some years total revenues from license fees grew from the wider distribution of receiving sets, as the national system itself was growing. But in the last two years the total funds available from fees has actually dropped slightly. In the future the number of homes with receivers cannot become so very much greater than it is now because the percentage of families having sets is already pretty high.

But at the same time broadcasting costs have risen very sharply and unavoidably. Necessary expenditures have risen right up to the ceiling of revenues. And costs are still climbing.

In this situation commercial revenues have increased somewhat and could perhaps be raised some degrees further. But it must be remembered that commercial revenues provide only a part of the funds supporting national radio. And there is the very important matter of good broadcasting and keeping a sound balance of programmes, in the interest of the public.

Some people, as it is, would like the national system to reduce the number of commercial programmes and replace those dropped with non-commercial broadcasting. But where are the funds coming from to make up for the revenue lost, and to pay for the new programmes? In considering things they want their national radio system to do, or not to do, listeners should think of two things. First, there is insufficient broadcasting time available for present programmes to satisfy the heterogeneous tastes of our widespread population. Second, the limited financial resources available set very definite limitations on what can be done in this high cost country of ours.

Any listener has his own views; some critical, some favourable; some enthusiastic, and some probably blasphemous. But I think that anyone who stops to think objectively, will agree that national radio, with the means it has, is performing a rich service for practically all the people of Canada—not just some of them. It brings entertainment of an astonishing variety to homes from the Atlantic to the Pacific. It brings music of all kinds. It brings some of the most expensive programmes in the world from the United States and programmes from Great Britain. It brings news and information of a hundred kinds. It brings freely expressed opinions. It provides a great concert and meeting hall for all Canadians. At the same time it acts as a very important stimulating force in the artistic and cultural and thinking life of the nation. Scores and hundreds of Canadian musicians and artists and writers have had a chance to develop through their national radio system.

I do not mean to suggest that our national radio system is perfect. Far from it. I think no one knows it better than people who work in the service of the public in the CBC. They are constantly trying to find ways of improving programmes, giving the schedules better balance. There is need for further technical improvement and expansion to better the service that listeners in different parts of Canada can get.

There is a need, too, to look ahead and consider important new developments in broadcasting. The matter of Frequency Modulation broadcasting is right with us. Frequency Modulation[1]—or F.M. as it is often called—is a system of transmission which just about eliminates interference and which provides for a considerably more faithful reproduction of the original sounds. It has a fairly limited range.

We believe that the growth of F.M. in Canada would be to the benefit of Canadian broadcasting and Canadian listeners. The CBC already has F.M. transmitters in Toronto and Montreal, carrying the programmes which are on the regular stations. As soon as receiving sets with F.M. sections are on the market, listeners buying them in these areas will be able to hear the programmes from these transmitters. We are also planning to have F.M. stations in several other Canadian cities before long. The CBC has also a policy of encouraging private stations to set up F.M. transmitters on which they will broadcast their programmes as well as on their present equipment.

[1]See "The Prospects for New Developments in Radio Communications"—The Quarterly Review of Commerce, Vol. XII, No. 2. There is a more comprehensive explanation of Frequency Modulation.

In connection with F.M., the economic question is very important. The transmitters cost money. In addition, to gain full advantage of the possibilities of the new transmitting system, it will be necessary to have improved wire line and studio facilities which must be paid for somehow.

Another very difficult series of questions for Canada is posed by television. Technically, television is a fact. As you know, the BBC started before the war. In the last year it has taken up its television work again and is regularly broadcasting programmes for those who have sets in the London area. In the United States, great strides have also been made recently. There are now several television stations operating on a regular basis and a number more projected. So far only a handful of people have television receivers, but the production of sets should rise considerably next year.

Those interested in television in the United States predict a very big development in the next few years, although some others express some doubts about just how it will grow and what will be its economic basis.

In Canada our natural disadvantages in ordinary sound broadcasting are multiplied many times over in television. Television broadcasting equipment is extremely expensive to start with, and a large initial investment is needed. In addition, operating expenses are very high. As you can easily see studio facilities for television work must be far more elaborate and costly than for sound broadcasting. Many more trained people are needed, and expenses in all directions are very great.

A television station has only a very limited range. It is possible to form a network so that programmes coming from one point may be broadcast from stations at other points. But such a network demands either a very expensive cable or an ultra high frequency radio relay system to make the connections.

It is possible to imagine a television system being of great use in Canada, and to fancy the idea of Canadians from coast to coast being able to see as well as hear events and programmes of different kinds. But the economic problem is a very great one. Again we come back to the comparison of the population of all Canada with that of New York or London. A television station in either of those cities could serve about as many people as live in all Canada. But the cost of a nationwide television system in this country would be fantastic.

The CBC is studying questions of television and watching developments carefully. We are convinced that Canada has not lost anything

by biding her time in this field, and we feel that any development should be thought out soundly, keeping in mind Canadian needs, and Canadian economics, and Canadian geography, and Canadian public interest.

In considering Canadian radio, we must not only think about what reaches people in this country, but also about what Canada broadcasts to other countries. As you know the CBC operates an International Short Wave Service, which is quite distinct from the regular domestic service. The Government provides the funds for the short wave service, and the CBC really operates it as an agent for the government.

In its two years of life the development of the International Service has been quite remarkable. The powerful short wave transmitters at Sackville, New Brunswick, put down in Europe the clearest and strongest signal from the Western Hemisphere.

It is now broadcasting in ten languages, carrying the spirit and trade mark of Canada far across the oceans. In addition to putting a Canadian voice in far countries the service has made a very worthwhile contribution to the distribution of information about international organization. It has covered international conferences very fully. In addition it has made available to the United Nations itself two hours each morning for the transmission of official U.N. reports and material. In the international field, as in the domestic, radio is serving the cause of Canadian nationhood, and also aiding the cause of understanding among nations.

I believe radio is serving Canada well, but could serve it better. Private community stations are doing much useful work for the listeners in different districts. I believe that with a fuller sense of their responsibility as trustees of air channels, many could be of greater real service to their public.

Advertising has made great contributions to radio. But I think both advertisers and broadcasters must realize it is not in the public interest or in their interest that advertising considerations rule the air to excess.

Public radio is an organ of the Canadian nation; it is a great instrument of our democracy. It tries to serve the multitude of tastes and wants of our people. It must be its function to express to the Canadian people something of their own vigor and diversity, and the wealth that is in Canadian minds and Canadian abilities. Those are big purposes. The degree of their fulfilment depends on those responsible for serving the public in radio, and on the resources at their disposal, and above all, on the understanding and interest of the public.

VISUAL SALES TRAINING — ITS VALUE IN BUSINESS

By J. H. TAYLOR

A MOST important segment of Canadian Business is the RETAIL STORE—a final link in the chain of distribution of many classes of merchandise to the user. If the retail store fails to function, or operates in a manner not conducive to the best selling effort, the back-up effect is felt clear down the line to the producer of the raw materials. One of the retail lines of trade that is particularly affected if poor selling methods are used or lack of salesmanship is shown is the electric and gas appliance industry.

Some two years ago several of the leading electrical utility companies in the United States and some of the larger electrical appliance manufacturers foresaw the need for sales training on a national scale, at the retail level. Special committees were set up through the Edison Electric Institute, an overall organization representing most of the utility companies in America, and the National Electrical Manufacturers Association, to develop a sales training programme that could be used by the electrical appliance industry. The Committee, which consisted of prominent sales managers in the utility business and sales managers of some of the largest appliance manufacturers, investigated the various methods available and decided to produce a visual sales training programme that could be used with equal success by any utility company, manufacturer or distributor of electrical appliances to train the retail appliance salesmen.

The training films are the sound-slide type—eight films being devoted to basic sales fundamentals, equally applicable to a salesman selling an appliance, an automobile or a life insurance policy but slanted toward electric appliances, and a number of additional films covering specific appliance product training. The entire course is sufficiently flexible to suit the varying conditions found in different parts of Canada and the United States. My own company has used this Sales Training Course in a number of areas where we supply electricity, and we have met with a great deal of success in improving

the standards of selling on the part of the retail appliance dealers and their sales staffs.

Let us analyze the programme adapted for the training course, to suit conditions found in territories served by B. C. Electric Railway Co., Ltd.—making this analysis in a similar manner to the way the Edison Electric Institute Training Course suggests a salesman plan a sale. The four cardinal points of a salesman's compass are:

THE NEED
THE SOLUTION
THE ASSURANCE
THE VALUE

Using these headings, let us analyze each of them—

The Need:

The sales picture in the retail appliance industry has changed completely from that which existed prior to the war. In the first place, so far as Vancouver is concerned, there is a 300% increase in the number of retail appliance dealer stores over the number in operation in 1939. Our own Company, which used to be very active in direct merchandising of appliances, has discontinued all forms of direct selling and depends for its load building efforts, as far as residential customers are concerned, on the appliance sales made by retail dealers.

The salesmen who remained in the industry during the war years forgot how to sell because there was a "seller's market", and all you had to do was lift up the phone, tell your customer you had a range, refrigerator or washer and she would rush down to buy it—cash in hand. Post-war a lot of new sales blood has been added to the industry —a large number of veterans having turned to appliance selling as a means of livelihood. Many of them have had little or no previous sales experience.

The appliance industry is going to be faced with very keen competition for its fair share of the consumer's dollar. Other industries are training their sales staff to do likewise. The need was there for a comprehensive programme of sales training.

The Solution:

In our case the solution is found by using the series of visual sound-slide sales training films made available to utility companies and

appliance wholesalers and distributors through the Edison Electric Institute. The old Chinese saying that—a picture is worth ten thousand words—is still true.

Visual training, using sound-slide or movie films, had been used in a spasmodic sort of way by many industries prior to the war. The many phases of visual training for the armed services, developed during the war, gave outstanding results in speed, accuracy and completeness of training, and have developed the methods and practices at an accelerated rate. The sales, commercial and manufacturing fields are taking full advantage of the increased knowledge of how to use visual training and a long list of companies and organizations are developing training films of many diversified types.

For our sales training conferences the method used was to conduct evening meetings of 2¼-hour duration in which the programme was divided as follows:

1. Sound-slide Training Film	15 Min.
2. Training Film Trailer and Discussion Period	30 Min.
3. Sound-slide Training Film	15 Min.
4. Training Film Trailer and Discussion Period	30 Min.
5. A Speaker on a Specific Sales Subject	45 Min.

This gave a reasonable diversification to the programme each evening. The entire programme consisted of eight evenings—one per week, during which time all of the basic sales fundamental films and the product films were used, coupled with outside speakers, sales demonstrations, skits, movie films, etc., and other items taking only a short period of time, to help make the programme interesting throughout.

Some of the subjects covered by the guest speakers included "Psychology and Selling", "Specialty Selling", "Display and Selling", "How to Demonstrate", and many other allied sales subjects.

In each case the registration for any particular group was limited to 50, as it is not possible for the individual to get the full benefit if the groups are very large.

The use of a silent trailer film on which the most important frames of the original film are reproduced for discussion by a competent training instructor to amplify the sales points brought out and develop

audience participation in the various phases of selling touched upon, is very successful.

This technique serves several purposes. . . . In the first place it gives a more diversified programme and a change of pace so far as the listening audience is concerned. Audience participation is always a good thing because each one there feels that he is taking an active part in the programme. Many valuable suggestions and experiences of the "old-hands" at the selling game are disclosed at these sessions. These are particularly helpful to the newer members in the selling game. We also find that many controversial subjects in connection with selling are brought out in the open, and the sales instructor has an opportunity of guiding the discussions on such subjects to a conclusion which appears to be the best solution for the particular area.

The Assurance:

Limiting the audience at any one meeting to not more than approximately 50 people gives more of a "family affair" touch to the proceedings, as during the series of conferences, which usually took place one night a week for eight weeks, members of the audience got to know each other better. Being members of the same industry, the value of knowing your direct competitor and finding out that he is not such a "bad chap" at heart after all has a very definite value.

By the Spring of 1947, approximately 650 retail appliance dealers and their sales personnel will have participated in the sales training conferences. The best assurance we have that the conferences are valuable to those participating and the entire industry, is in the attendance percentage.

Like any other course, we have a few novelty seekers at the first conference of each series, who come out of curiosity, rather than a desire to learn, but the overall attendance for all of the series dealing with electric appliance sales was in excess of 85%.

The Value:

The value of sales training of this nature to the industry cannot be enumerated in dollars and cents but is one of those intangible assets from which results show in years to come.

Many retail salesmen, and this applies across the entire retail field, still have an attitude of indifference toward their customers—the attitude that almost speaks the inner thought—"If you don't want it the next customer will, so why waste time or energy in making a

proper sales presentation to you". It is unfortunate that this applies not only to the old-timers who have had seven years in a "seller's market" but is true in a number of cases amongst the younger sales personnel, including returned veterans who have never had the opportunity of working in a competitive sales era.

Our experience has proved that the average salesperson is interested in becoming a better salesman. When this happens it not only means, in many cases, more remuneration for the individual but he has an inward source of satisfaction in doing a better job, and becomes a more useful participant in the business world.

Electric power companies have a direct interest in the problems of every retail appliance dealer, and are interested in seeing that the best form of salesmanship is used because no kilowatt hours are used until an appliance goes into a customer's home.

We are firmly convinced that visual sales training is the most effective way of handling group training, and gives the best results of any form of sales training conferences that we have used.

A high calibre of selling will be required to dispose of the greatly increased flow of goods which will result from the large manufacturing facilities Canada now has. Salesmanship at the retail level is often poor, sometimes mediocre, and occasionally "topnotch".

What is the solution to this problem? A change is needed. It can be solved the hard way—"obtain sales volume or else!" Such a method is hardboiled, costly and often means customer dissatisfaction. How much better it would be if every consumer goods industry made a concerted effort to re-orientate the sales thinking of the retail staffs. This is being done here and there but not as yet on a scale of sufficient magnitude to overcome the retail sales inertia of the last six years. A single manufacturer's effort, while helpful, is but a voice in the wilderness; likewise that of a single distributor, wholesale or retailer. Not so would be the combined, co-ordinated effort of all manufacturers, wholesalers and retailers within an industry, for then the effort would be felt throughout Canada. This is the way it should be and will have to be if each segment of retailing is to regain the respect and support of the buying public.

PUBLIC RELATIONS AND THE PUBLIC

By GEORGE STANLEY

PUBLIC relations work is devoted largely to the creation of understanding. Despite this and the now widespread attention it is receiving, it remains a much misunderstood phase of business. If some of the current misconceptions about public relations were nothing more than a frustration and challenge to public relations personnel no great harm might result. Unfortunately, lack of appreciation for the full meaning of public relations can be, and often is, a source of trouble to the enterprises and institutions which they might otherwise guide, assist and protect.

Many people, some of them businessmen, still confuse public relations with press agentry and propaganda. To several it is nothing more than the tricks and stunts through which editors can be induced to give space to items and pictures featuring products and people. Others regard it simply as the skillful use of the press for clever persuasion, a device for whitewashing business and industry in time of trouble or attack.

Modern public relations practice abhors all such activity. An art and a science employed to improve relations between groups of people, its very nature demands frankness, honesty and the avoidance of anything suggestive of deceit. No institutional public relations programme, however, is complete without publicity. Effective results require the efficient use of the established channels of communication for disseminating facts and information about the concern. Publicity, shorn of the press agent's tricks and stunts, will always be a major activity of workers in the field. It is necessary to interpret, to the institution's public, the policies and activities which constitute the real basis of public relations. It is the principal means of self-expression through which a company can create the favourable impressions essential to its continued success and welfare.

A major reason for the ineffectiveness of much that passes as public relations, however, is that techniques of communication have been applied in one direction only. The public has been given information

about the company but no adequate steps have been taken to help those directing the enterprise understand the public. One result is that the information reaching the public is not so much what it wants and needs to know in order to understand and appreciate the concern but merely what someone thinks it should have. Another is that the "good citizenship", around which the public relations programme is built, is good only in the eyes of management. It has not always been considered good among those directly affected by the company's policies and activities.

Failure to appreciate the full significance of this simple shift in emphasis has been responsible for much of the criticism and antagonism directed at business. It is one cause of the serious lack of harmony in national life today. Society can never function smoothly as long as there are widely divergent views about the purpose and objectives of the industrial and business machinery on which so much of its life depends.

Applicable only in a democracy, public relations depend for their final usefulness on the soundness of the belief that an informed public is capable of wise decisions affecting its welfare. The need for them stems from the conditions so neatly described by Arthur W. Page of the American Telephone and Telegraph Co. "All business in a democratic country begins with public permission, and exists by public approval."

The duration of institutions has always been subject to this condition. What is new for business is that the penalties for not paying sufficient regard to it are becoming increasingly severe. The events of the last 15 years have quickened the public's interest in the economy. Aroused and disturbed by the hopelessness of depression and the boundless promises brought to light during the war they are observing it with a keener, deeper and more personal feeling. More than ever is it essential that business understand the public—their likes and dislikes, their aims, desires and prejudices—and that business be operated in ways which will win public confidence and approval.

Where this is recognized public relations activities are turning more and more to interpreting the public to management. Public opinion polls are being given the attention formerly paid only to market and technical research. Forward looking business is interested not only in what the public thinks about it but why it thinks the way it does. It is doing everything it can to place itself in harmony with the public's views and, when this is impossible, to show the public

why. It is talking less about its virtues and achievements and more about its problems and the system by which it operates.

No probing of the public's mind, however, is necessary to show that something significant to business is happening in the world. People everywhere are critically reviewing the framework of ideas which have governed the production and distribution of wealth for the last several generations. They are choosing new economic and social goals and new ways of attaining them. The precise nature of these objectives and the exact ways in which they are to be reached is not yet apparent. No special perception, however, is required to see that individual profit is giving way in importance to collective welfare. The trend is both a challenge and responsibility to those who exert the closest control over the means through which most of society's aspirations must be realized.

Every day people become more dependent on industry. It provides not only the plentiful supply of goods and services essential to the maintenance of our modern standard of living but through it lies the way to many other human wants and desires. People are already satisfied with industry's ability to produce. Their acceptance or rejection of private enterprise in the years ahead will depend less on its technical achievements and more on the degree to which it assists or frustrates the common aim for broader security, better health, more leisure and the means to enjoy it.

To be effective public relations activities must demonstrate that progress is being made in these directions. They must show that industry's operating methods are compatible with democracy's basic aims and beliefs, that business is interested not so much in profits but in broad social betterment. They must reveal how and where private enterprise is providing for job security, opportunity for advancement and the distribution of a fair share of the rewards to all who contribute to it or participate in it. When there are justifiable delays in progress they must explain the reasons for it to those concerned. In direct ratio to the degree to which public relations are unable, or fail, to provide such evidence and explanations will come legislation unfavourable to private enterprise and further encroachment by government on its preserves.

A number of concerns, some small, some large, have never lost sight of the fact that business exists to serve people. Where they have taken steps to keep their publics informed about their operations they

enjoy an enviable place in the community's esteem. Some unfortunately have fought shy of doing what is necessary to win the credit they deserve. Unfortunately, not only because private enterprise needs every bit of prestige it can muster but because other concerns, knowing more about the rewards for such good conduct, might have been inspired to adopt similar policies.

But how has business and industry as a whole met the social responsibilities thrust upon it by the integration and technical advances of the last 20 years? No less a businessman than Charles Luckman, the $300,000-a-year president who directs the United States operations of the Lever Brothers Company, found it necessary recently to take big business to task for its failure to realize its social responsibilities.

"Business exists," Mr. Luckman declared, "in order that people may live. But instead of helping people to live, what has it been doing? In the last 20 years it has opposed almost everything that spells greater security, well-being or peace of mind for the little guy."

"Where on the record," he asked, "is there a single example to show that big business or big trade associations ever initiated a legislative programme of benefits for the workers?"

These were strong words but they sum up the record of too large a section of Canadian as well as U.S. business. They also convey the picture of big business lodged in the minds of many segments of the general public.

Such speeches provide some of the best evidence that business is acquiring a new attitude toward its social responsibilities and developing the energies and resources necessary to meet them. There is additional evidence in the growth of democratic institutions and procedures within industry and in the exciting prospects raised by the new concept of industrial citizenship. There is more in the plans to provide room in new research centres for the observation of human relations, in the unspectacular study of annual wage plans, profit-sharing and better pension schemes, taxation and the 40-hour week.

Many difficult problems must, of course, be surmounted before some of the goals can be reached. In some cases more leisure and security for workers must await substantial increases in an industry's productive efficiency, an improvement in its profit position. Much more must be learned about the real causes of labour-management conflict. There must be increased co-operation between industries and between

government and industry. There is no doubt, however, that managements, equipped with the proper attitude and a full sense of the urgency of the task, will make important contributions to their solution. The public relations worker has a dual responsibility. He must see that there is no return to the former complacency and indifference. He must keep open the two-way channels of communication between business and the public so that the work progresses in the right directions with the aid of the public's patience and understanding.

ANALYSIS OF THE ORGANIZATION STRUCTURE AND INTERNAL OPERATIONS OF SOMERVILLE LIMITED

By C. A. CLATWORTHY

THE story of the founding and growth of Somerville Limited is as interesting a story as can be found anywhere in Canadian business. From the opening day in May, 1886, till the present day, the story of the company has been one of continual advancement and success. The one small business in 1886 has been expanded through the years until in 1944 the company operated five plants—two in London, one in each of the following, Windsor, Strathroy and Neustadt. Sales offices were also opened in Montreal, Toronto, Windsor and Brantford.

In July, 1943, W. Garfield Weston purchased Somerville Limited, and he provided money for much more new equipment. He secured for the company a new one and a quarter million dollar war assets plant, and he put at the head of the enterprise his right-hand man, R. A. Robertson, as president.

In November, 1945, this new Crumlin plant was purchased from the Canadian Government and it is now the largest industrial plant in London and its vicinity. This expansion programme gave the company a total production and office area of 300,195 square feet of floor space and in addition, a cafeteria with a floor space of 13,874 square feet, and a Power House with 8,131 square feet.

Properties in London, including the Head Office and Plant 1 on Dundas Street, and Plant III on Nightingale Avenue, were therefore sold. The Neustadt plant was also disposed of and this summer it was consolidated at the Crumlin plant.

The company expects that the Crumlin plant will give them one of the best packaging houses in North America and that during the next three years production will probably be doubled.

Fundamentally Somerville Limited is a packaging house and their basic raw material is paper, but during the past years they have

branched out into many new fields in order to level out their seasonal production. Some of the company's products are as follows:

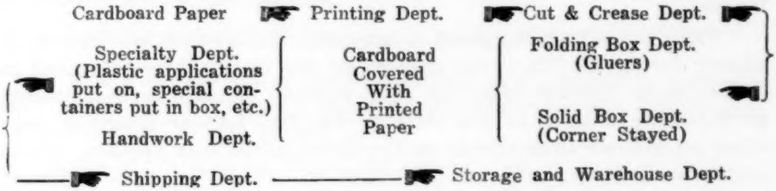
1. Packaging (Including plastics)
2. Printing
3. Games and Toys
4. Automotive panels
5. Displays
6. Ice Cream Novelties
7. Record Albums and Record Labels
8. Radio Cabinets

Organization Structure and Internal Operations

The Organization Structure of Somerville Limited on July 1, 1946, was as illustrated in Exhibit I.

The Organization Structure of the Production Department for the Crumlin Plant as of July 1, 1946, was as illustrated in Exhibit II.

The raw materials used by the Production Department of Somerville Limited are mainly: paper, cardboard, adhesives, ink, plastics, paraffin, wood, fibreboard, aluminum, etc. The routing of the raw materials, goods in process and finished goods through the plant may be illustrated by the following diagram:



Since Somerville's are producing many seasonal products, they generally produce quite an advanced stock and store it up ready for the rush season. This is true as regards egg cartons for the Lenten season, toys and boxes for the Christmas season, and ice cream novelties for the summer season.

The routing of documents through the Plant and Office may be broken down into two groups:

(i) *Sales*—All orders come first to the Sales Manager and these are checked. Then these orders are sent to the Estimating Department

to be estimated. From here they go to the Order Department and at this stage the Ditto system produces a copy of the order for every department that has anything to do with these goods. Every item is carefully described on its order. It may be advisable to add at this time that all work procedures necessary to produce this order are also carefully described in writing. A shipping order is then made out after goods are produced and this order indicates when the goods are to be shipped. Then this order is sent to the Invoicing Department and invoices are then sent to the customer.

(ii) *Purchases*—The Purchasing Department sees what materials are required. At Somerville's the Purchasing Department sends the materials to the foremen at the proper times. The foremen do not obtain the materials by requisition slips in this company. The Purchasing Department checks all the incoming materials, equipment, etc., and the Material Control division of the Purchasing Department checks the incoming invoices. The Receiving Clerk then sanctions the invoice having the approval of the Material Control division and the invoice is paid by the Treasurer's Department.

Terms of Employment

According to the Memorandum of Agreement between Somerville Limited at London, Ontario, and the Plant I Council, the terms of employment will be as follows:

Wages

The Company has agreed to pay and the Council has agreed to accept, during the life of the agreement, the scale of wages set out in the schedule decided upon by both parties, subject to modification permitted or ordered at any time by the War Labour Board or such other wage-controlling agency as the Government may appoint. However, the Company still has the right to adjust the wage rates of individual employees within the limits of scales of wages which have been approved by the War Labour Board.

Due to the removal of wage and salary controls by the Dominion Government on December 1, 1946, War Labour Boards will no longer exist, therefore the foregoing which deals with War Labour Boards will no longer apply.

Employees who, for the convenience of the Company, are temporarily transferred to a job normally paying a different rate shall:

(a) Retain their normal rate, should it be greater than the

established rate for the job to which they were transferred.

(b) Be paid the rate normally paid on the job should it be higher than their own normal rate if, by past experience at Somerville Limited, they have proven their ability to do their work satisfactorily and well.

(c) In bonus occupations, participate in bonus according to regulations set up to cover bonuses. The Company has agreed to pay all employees working on shifts other than the regular day shift a premium of five cents per hour.

With the removal of wage and salary controls on December 1, 1946, the Management and Plant I Council have just agreed upon a fifteen per cent off-shift bonus to replace the old five cents per hour bonus.

There is nothing in the agreement which shall prevent the Company from raising the rate of a capable temporary employee within the limits of the rates previously established on the particular job.

Hours of Work

The regular working day is from 7:30 a.m. to 5:00 p.m. Monday through Friday with a half-hour lunch period. The employees are allowed a ten-minute rest period in the morning and the afternoon. In the continuous operation departments, the rest periods are staggered at the discretion of the foreman.

All shifts at Somerville's are on a rotating basis.

Where a job is required to be operated on a continuous basis the eight hours are inclusive of lunch period, otherwise the eight hours are exclusive of a lunch period.

Overtime

All time in excess of the regular working week for day workers and those on two shifts (45 hours) is considered overtime work, and the rate of wages is one and one-half times the employee's day-rate, providing the employee has worked a full week. In cases where an employee has worked overtime and is granted time off by his foreman, he will be considered to have worked a full week as far as being eligible for overtime pay is concerned. Employees on incentive standards are paid at the regular standards and receive fifty per cent of their day-rate as overtime premium, with the same proviso applying as above. In case of a week having a statutory holiday, overtime is

paid for all work in excess of forty-five hours per week, less the holiday.

On three-shift operation, overtime is paid on all hours worked in excess of the normal work week. The normal work week is: in the case of the first shift, 47½ hours (Sunday midnight to 7:30 a.m. Monday and 11:30 p.m. to 7:30 a.m. Monday through Friday); in the case of the second shift, 40 hours (7:30 a.m. to 3:30 p.m. Monday through Friday); and in the case of the third shift, 40 hours (3:30 p.m. to 11:30 p.m. Monday through Friday).

The above does not apply, however, to watchmen, janitors or employees whose normal working week is in excess of 45 hours.

Statutory Holidays

The following holidays are observed by Somerville Limited:

New Year's Day	Thanksgiving Day
Good Friday	Christmas Day
Dominion Day	May 24 (if proclaimed)
Labour Day	and one Civic Holiday (first Monday in August)

Vacations with Pay

The Company agrees to grant one week's vacation with pay annually to each employee having at least one year's continuous service with the Company as of September 1st of the year in which holidays are granted. The holiday period is fixed by the Management after consultation with the Plant Council. In recognition of long service, hourly rated employees receive an extra day's holiday for every year worked after five with a maximum of five days. Long service holidays are taken when they can be conveniently arranged between the foreman and the worker.

Office personnel obtain two weeks' vacation with pay after one year's continuous service with the Company.

Special Allowances

Somerville Limited allows the following special allowances:

(1) Travelling expenses for foremen, superintendents, salesmen, executives, etc., where the need arises.

(2) Truck drivers' and watchmen's uniforms are provided by the Company but other employees have to supply their own working clothes.

(3) Expenses incident to inter-locality transfer—board and

lodging given to a transferred employee and his family until he becomes established.

(4) Machinists must supply their own tools, but all other tools needed by employees are supplied from the Company Tool Shop.

(5) Free bus transportation is provided for all employees if they do not want to supply their own means of transportation.

(6) Options have been taken on land surrounding the plant in order to protect employees who might wish to build in the Crumlin area.

Pay Administration

Every employee in the plant must personally register his or her own time in and out. Each employee has a time clock number. Each employee must fill out a time sheet daily with the proper order number, the customer's name, the operation he or she performed, and the quantity produced.

Every plant employee is paid once a week on Friday, the amount he or she earned the previous week. Somerville's pay week starts Monday and finishes Saturday at midnight. All payroll deductions are shown on the employee's pay slip.

The office employees are paid twice a month on a monthly salary basis. All employees are paid in cash.

Seniority

Provided that in the opinion of the Company, there is equality of skill, competence, and efficiency, and subject to an employee being on a permanent basis, then the last man hired shall, in case of lay-off, be the first laid off. Similarly, the last employee laid off shall be the first re-hired. In all cases of lay-off involving more than twenty people, the Council representative in that department shall be consulted prior to the lay-off.

All factory employees at Somerville's are considered temporary for the first three months, and no seniority rights are recognized during that period. After three months they are considered regular employees and their seniority dates back to the day on which their employment began.

In promotions, preference is given to the employees having the

longest service. However, this is subject to conditions respecting skill, competence, and efficiency.

Seniority may be forfeited if an employee is absent from work for more than two days (a) without sufficient reason or (b) without permission from the Management. Seniority, however, is not forfeited during any lay-off for lack of work which does not exceed three months, provided that the employee returns to work when called.

The seniority of employees serving in His Majesty's forces is respected by this Company in accordance with the Reinstatement in Civil Employment Act, 1942.

EMPLOYEE PROGRAMME

Employee Census and Force Programme

The total number of employees employed by Somerville Limited for all three plants is approximately nine hundred full-time and one hundred part-time employees. The Company now employs at Plant I in Crumlin seven hundred full-time persons, sixty per cent of them males and forty per cent females. One hundred and forty of these seven hundred may be considered as office and sales staff, cafeteria employees, etc.

In connection with the Production Department in Plant I, it may be estimated that five hundred and sixty workers are employed here. The following break-down is a rough estimate of the number of personnel employed in each department, and it also gives a census of the organization units in the Production Department.

Department	*Number*
1. Engineering and Machine Shop (including building maintenance and construction)	80
2. Printing Department	85
3. Cut and Crease Department (including die-makers)	43
4. Solid Box Department	80
5. Folding Box Department	65
6. Specialty Department	25
7. Woodworking Department	45
8. Game and Toy Assembly Department	50
9. Silk Screen Department	12

10. Handwork Department	35
11. Material Control Department	40
TOTAL	560

A census of supervisory positions working directly or indirectly in the Production Department is as follows:

Works Manager	(over the three Plants)
Assistant Works Manager	(over Plant I)
Three General Foremen	(in Plant I)
Foremen	(in all three Plants)
Assistant Foremen	(in all three Plants)

Within the organization, the following list of highly skilled trades are available:

(1) Lithographing—Plate Making and Lithographing Pressman.
(2) Printing—Compositor, Printing Pressman.
(3) Cut and Crease—Wood Die Making, Carton Pressman.
(4) Solid Box—Stokes and Smith Mechanic.
(5) Folding Box—Gluing and Paraffine Machine Mechanic.
(6) Woodworking Department—Cabinet Maker, Pattern Maker.

A census of positions using the Printing Department as an example is as follows:

Printing Department
Foreman
Assistant Foreman
Two Assistant Foremen
(2 shift bosses)
Pressmen
Press Helpers
Truckers

Totalling approximately eighty-five persons

Rating Present Employees for Placement

Somerville Limited depends almost wholly on the judgment of their foremen and assistant foremen in rating present employees for placement.

The employee's original application for work does tell management something of the employee's education, experience, trades, aptitudes, hobbies, etc., but other than this no aptitude testing, graphic rating schemes, proficiency analysis or performance measurements are given.

Vocational guidance is given both by the foreman or assistant foreman in charge and the Personnel Manager. It has been found that many have come to the foremen and Personnel Manager for counselling and assistance. The Personnel Manager also visits the other two plants weekly to give vocational guidance and advice to any employee who desires this friendly service.

Somerville Limited makes it a rule to promote men already in its employ to fill vacant higher positions wherever possible.

Recruiting and Selecting New Employees

Recruiting of new employees is carried out mainly through the following media:

(1) National Employment Service.
(2) Newspaper advertising.
(3) Friends and relatives of present employees brought in for interview.
(4) For technical men they obtain assistance from:
  (a) Bureau of Technical Personnel.
  (b) Technical Service Council.
(5) Universities and Business Colleges.
(6) Employees who come seeking work at the Company's offices.

When a person comes to Somerville's to seek a position, he or she is first given an application to fill out. The applicant is then interviewed by the Personnel Department's employment officers. After screening, the best applicants are passed on to the various foremen for another personal interview. If the applicant is hired by the foreman, then the Personnel Clerk takes over. She explains the pay administration, clock numbering, etc., to the new employee, introduces the newcomer to his or her future working associates, and tries to give the new employee every kind of assistance possible. No identity badges are used but each employee has a time clock number.

Shortly after becoming an employee of Somerville Limited, each employee is given a full medical examination by the resident doctor and nurse.

Training for Work (Job Training)

It is mainly the policy of this Company to train its new workers right on the job, and in most cases the foreman does the employee training. However, in some departments, there are full time instructors. The foreman or assistant foreman carefully watches the progress

of the workers under him and he advances the workers as their experience warrants it.

Somerville Limited also have an apprenticeship policy. They have within the organization several highly skilled trades and these are open to any young men who wish to take them up and follow through with the allotted apprenticeship period. The following list of trades are available:

Lithographing—Plate Making and Lithographing Pressman.
Printing—Compositor, Printing Pressman.
Cut and Crease—Wood Die Making, Carton Pressman.
Solid Box—Stokes and Smith Mechanic.
Folding Box—Gluing and Paraffine Machine Mechanic.
Machine Shop—Machinist, Welder.
Woodworking Shop—Cabinet Maker, Pattern Maker.

When employees apply for an apprenticeship agreement they are hired on a three-month trial basis. When they have completed that three months and have met with the approval of their teacher (their foreman), the apprenticeship papers are then drawn up according to the government apprenticeship scheme for all trades. With the exception of printing and lithographing, the term is four years. For printing and lithographing it is five years.

Apprentices are guaranteed steady employment for those years and must attend night school for technical training. Somerville Limited pays for this course at the Technical School.

In the Hand Work Division of the Specialty Department there is an employee whose full-time job is to train girls to do the special hand work that is required of them.

Somerville's also have a Foremen Training Programme whereby the foremen are instructed in the latest training and production techniques by outside experts. This training is done on the company's time. Other employees who desire to take courses may do so.

Recently in Plant I there was a pressman's refresher course which covered important points in make-ready, what to watch for when running, setting up a press, safety measures, organization and other subjects having to do with the printing crafts. Instructor for the series of five lectures was the pressroom foreman. Visiting speakers also discussed aspects of the printing crafts.

Educating Workers as Employees (Institutional Education)

The workers are educated as employees of Somerville Limited by the following methods:

(i) Each new employee beginning work at this Company receives a booklet entitled, "You, Your Job, and Somerville's". This booklet contains the history of the company, the organization, the objectives, the policies, industrial relations and operations of the Company. In general it aids the new employee to learn the workings of the company.

(ii) Each new employee also receives another booklet put out by Somerville's entitled "Low-Cost Group Insurance Protection for Our Employees". This booklet outlines the Hospital Expense and Surgical Operation Insurance Scheme offered to Somerville employees.

(iii) Foremen Training Programme.

(iv) "The Somerville Link"—A Company magazine is published monthly by and for Somerville employees. The Company pays the cost of producing this employee paper.

(v) Company Library—The Personnel Department has a Library Clerk who looks after the Company library. Books and magazines are loaned without charge to Somerville employees.

(vi) The foremen meet weekly with the Superintendent and once a month with top management. In this way, too, the latest information is quickly given to the workers.

Exit

If an employee desires to leave Somerville's, a week's notice must be given.

The Company reserves the right to discharge any employee for any of the following reasons—drunkenness, incompetency, habitual absence without leave, smoking in prohibited areas, drinking intoxicants while on duty, endangering his own life or the life of a fellow employee. The Company, however, agrees that no employee shall be discharged, suspended or disciplined until he has been given a fair hearing.

All employees leaving the company have an exit interview with the Personnel Manager or his assistant. After the interview an Exit Interview Questionnaire is filled out by the employee. This questionnaire has aided the Company tremendously in ascertaining the attitudes of employees to Somerville's terms and conditions of employment.

Somerville's have no dismissal compensation scheme at present for the plant but two weeks' dismissal compensation pay is given to office workers who are leaving Somerville's.

Work Environment and Physical Facilities

Since Somerville Limited have purchased the million and a quarter dollar Central Aircraft Plant at Crumlin, the work environment and physical facilities have been considered the best in factory and office planning in this community.

(a) (i) *Lighting*

The lighting system in the new plant is excellent, providing about twenty-five foot candles at floor level, and with the exception of localized lighting which may be required, is more than adequate for the Company's needs. The large expanse of glass in the building provides ample daylight even on dark days for most operations except those under the mezzanines.

(ii) *Telephone System*

Somerville Limited have an inter-office telephone communication with a central switchboard. The communication system is the very latest—that is, both automatic and dial-operated.

(b) *Heating, Humidity and Ventilation*

Heating, humidity, and ventilation are amply provided for in the new Crumlin plant. Since this new plant was built during the war period, therefore the physical facilities for the employees are ultramodern.

(c) *Cafeteria and Rest Rooms*

The new plant contains a modern well-equipped cafeteria which can accommodate seven hundred employees at one sitting. Separate executives' and visitors' private dining rooms will seat ten to twenty persons each. Full-course meals are served in the cafeteria six days a week. The cafeteria is also provided with a public address system, to be used on various occasions. Rest rooms are also available for both male and female employees. These rooms contain the latest in sanitary facilities and adjoining rooms have easy-chairs for the employees' comfort during rest periods.

(d) *Tools*

Machinists supply their own tools. Other employees are supplied with company tools obtained from the company tool room.

(e) *Clothing, Uniforms*

Truck drivers' and watchmen's uniforms are supplied by the Company, but all other employees must supply their own clothes and shoes.

(f) *Rest Periods*

Ten-minute rest periods in the morning and afternoon are standard practice throughout Somerville plants.

(g) *Working Space*

There is ample working space for both office and factory employees at the new Crumlin plant. The west mezzanine in the main building is given over to office space. Additional room for office staff was available on the east mezzanine, but since this was not required at the present time, therefore it has been utilized by the Production Department. The Personnel and Purchasing Departments are located by themselves in the gatehouse. There is also plenty of production space for the factory employees and plenty of room is still available for any future expansion programme.

(h) *Parking Space*

Parking space is provided for four hundred cars at the Crumlin plant.

EMPLOYEE SECURITY

(a) *Security Against Sickness and Accident*

Each new employee is given a full medical examination upon taking employment with Somerville's. The Company has a doctor come to the plant and spend two hours a day. Employees may go to him for medical advice or attention during this period. A full-time nurse is also available to the employees during the main shift and there are qualified first aid men present at the other two shifts to give assistance in case of an eventuality. The company has its own well-equipped medical centre right at the plant. It is the hope of the management in the future to give each employee periodic examinations as well as a pre-employment examination.

Safety instructions are outlined in a booklet which is given to each new employee of Somerville's Although the Company has tried to devise a complete set of safety rules, it is impossible to cover every possible item. Safety comes first at Somerville's. The management puts the three major considerations in the operation of business in this order: Safety, Quality, Production. Every employee is expected to use proper care in his work for his own personal safety and that of the men working with or near him. Unsafe conditions or practices must be reported at once to the foreman or safety man in the department.

All buildings are sprinklered and it is considered that the fire protection of the plant is completely adequate in almost any eventuality. The Company has its own fire-fighting equipment and fire brigade.

Pay for Time Lost Through Occupational Accidents

Somerville employees come under the Workmen's Compensation Act, with the Company paying a fee for each employee. Under the Act, compensation is paid for personal injury suffered on the premises, or for an industrial disease which makes it impossible to work—unless the injury or disease did not disable for at least seven days, or unless the accident was caused only by serious and wilful misconduct and does not result in death or serious injury.

If you are totally disabled you are entitled to two-thirds of your average earnings up to $2,500 a year. If an accident results in death, the widow is entitled to receive $45 a month during widowhood. If there are children, she also receives $10 a month for each child under sixteen years, or eighteen if the child is furthering its education.

Employees are entitled to all medical aid, hospitalization, nursing service, and X-ray examinations necessary as the result of an injury. No fee is collected from the employee for this protection: the Company, through the Workmen's Compensation Board, assumes the entire cost.

Pay for Time Lost Through Sickness and Non-Occupational Accidents

After a three-month probationary period all Somerville employees come under the benefits of the employees' group sickness and accident insurance. The Company bears part of the cost of this and the employee the remainder. For small cost you get insurance against hospital and surgical treatment for sickness and accidents suffered away from work and you also receive a proportion of your wages while you are ill. For extra small cost you can also have your dependents come under this Sickness and Accident Insurance Scheme.

(b) *Security Against Unemployment*

Somerville's main policy for the stabilization of employment was the taking on of numerous lines of products which would level out production and thus employment throughout the whole year instead of just in the rush periods at Easter (Lenten season), Summer (Ice Cream), Christmas (Box season) as it had been in the past.

Somerville's have no dismissal compensation scheme for factory employees at the present time.

Unemployment Insurance, of course, is in effect and the Company and the employee both contribute to this national insurance scheme.

(c) *Security Against Financial Contingencies*

The Somerville employees started a Credit Union in the spring of 1945 and since then have accumulated $2,500 in savings. These savings are used as a basis for loans for Somerville employees but the applicant for a loan must be passed by an Employee Credit Committee before he can obtain a loan. The interest rate on the loan is about 1% per month on the unpaid balance. The depositors receive dividends for the money that goes into the Credit Union Account. Ultimately the Credit Union intends to loan money at a lower rate of interest than the bank can.

In addition to the Credit Union loans, the Company advises employees that if they have difficulty in meeting an unusual situation, or if there is a problem in the home as a result of sickness, the Company may be able to give them assistance.

(d) *Old Age Security*

One of Somerville's present problems is the establishment of a Pension Scheme. At the present time, the employees have no old age security, but management states that they hope to have some solution to this problem in the near future.

(e) *Life Insurance*

After a three-month probationary period, all Somerville male employees are admitted into a Group Life and Disability Insurance plan without medical examination. Here again, the Company bears part of the cost. In the event of death, the full amount of the insurance will be paid to the beneficiary named by the employee. If through illness or accident you become totally or permanently disabled before the age of 60, payment will be made to you of the full amount of the insurance. Should you leave the employ of the firm, your group insurance automatically terminates, but you have the option of converting it into regular insurance without medical examination. At the present time the Group Life and Disability Insurance plan has a maximum benefit of $3,000. The Company tries to make this Group Life and Disability plan compulsory for each employee, but if an employee absolutely refuses to take this insurance, then the employee must sign a waiver relieving the company of all responsibility with regard to any death and disability claims brought against the Company by his or her dependents.

Counselling on other life insurance matters will be given by the Personnel Manager if an employee desires advice on this subject.

EXPRESSION OF VIEWS AND ATTITUDES

(a) *Employee Group Representation*

One of the most important things for an employee to understand in connection with his or her work with Somerville Limited is the Employee Representation Plan. The Employee Representation Plan is drawn up yearly in the form of a Memorandum of Agreement between Somerville Limited at London, Ontario, and the Plant No. 1 Council of Somerville Limited at London, Ontario.

The purpose of the Agreement is to promote closer co-operation and maintain a constant spirit of good will between the employees and the Management of Somerville Limited. An additional purpose of the Agreement is to establish a more formal procedure for the determination of wages, hours, and other working conditions and for the discussion of all other matters affecting employees.

All persons employed at Plant No. 1, that is, the Crumlin plant, are covered by this Agreement with the exception of the following:—

(i) Works Manager and Assistant Works Manager
General Foremen and Foremen

(ii) Salaried Employees

(iii) Members of the Lithographic Union

The Company recognizes the Council, which functions under its own constitutions, as the sole bargaining agency for all employees covered by this agreement. The Company undertakes that its representatives will meet with the Council whenever desired. The Council similarly undertakes to afford the Company opportunity as desired to consult with the Council.

The Company has to provide a suitable place for meetings of the Council and its committees. Council meetings and meetings of committees of the Council are regularly held outside of working hours and on the employees' own time. However, employees will be paid at their regular hourly rate for time spent in meetings with the Management or the Council, when they would otherwise be at work. The Company also agrees to allow the use of department bulletin boards for Council announcements.

There is nothing in this agreement which could be interpreted as limiting the Company in any way in the exercise of the regular and customary functions of Management, including the extension, limitations, curtailment or cessation of operations and the rights to reprimand, demote or discharge any employee for cause.

The Company undertakes, however, not to discriminate against any employee for any reason, including race, colour, nationality, religious or political affiliations or membership in any labour organization. While the Company reserves the right to discharge any employee for any of several stated reasons, no employee may be dismissed, suspended or disciplined until he or she has been given a fair hearing.

Members of the Council are free to discharge their duties without fear that their relations with the Company may be affected in any way. Any other employee serving on a Committee of the Council is likewise free to act without fear that his relations with the Company may be affected in any way. Nevertheless, an employee shall not leave his working place to attend to Council business until he has secured the permission of his foreman or shift boss.

The Agreement also sets forth the terms of employment such as wages, hours of work, overtime, statutory holidays, vacations with pay, and seniority.

The Agreement calls for the Company to make reasonable provisions for the safety and health of the employees during the hours of their employment.

(b) *Grievances*

I. Under the Memorandum of Agreement, the following is prescribed for the adjustment of disputes:

(i) Any matter in dispute, whether affecting one or more employees, shall be submitted in the first instance by the employee or employees concerned to the foreman of their department. If an employee is unwilling to go to his foreman direct, he may request his Council member to accompany him.

(ii) Failing satisfaction, the employee alone, or accompanied by his Council member, may take the matter to the plant superintendent or the assistant works manager. The employee may request that the Superintendent call in the foreman concerned.

(iii) It shall be the duty of the assistant works manager or the plant superintendent to keep a record of each case submitted to

him, including the statements of the employee and the foreman, the proposed solution, and whether it was satisfactory. This record shall be initialled by the employee and also by the Council member if he accompanied the employee.

(iv) If the solution proposed by the plant superintendent is not satisfactory to the employee, he may ask his Council member to lay the matter in writing before the Council.

(v) If the Council is unable to adjust the matter to the satisfaction of the employee, it shall refer the matter to the General Manager.

(vi) If the employee is still not satisfied, the matter shall be referred to a board of arbitration constituted as described below.

(vii) The board of arbitration shall be composed of two representatives each of the Council and the Company. If the board so constituted is unable to reach a majority decision within two days, it shall endeavour to appoint an impartial chairman by unanimous vote. If the board is unable to agree on an impartial chairman, the Minister of Labour for the Dominion of Canada shall be asked to appoint such a chairman (but not a civil servant). But, however the board is constituted, the decision of a majority of the members shall be final and binding.

II. There shall be no lockout by the Company, or strike, slowdown, sitdown, or suspension of work, either complete or partial, by the employees during the life of the agreement.

III. The Agreement shall remain in force for one year, and then it may be renewed from year to year by mutual consent of both parties involved. If either party desires to give notice of amendment or termination, then this notice must be given not less than thirty, but not more than sixty days before the expiring date of the Agreement.

Should the Company cease operations, however, for reasons beyond its control while the Agreement remains in force, the expiring date of the Agreement shall be postponed until six months after resumption of normal operations.

IV. The Company agrees to distribute a copy of the Constitution and Agreement to all employees covered.

(c) *Morale Appraisals and Interview Plans*

Since the Plant No. 1 Council meets monthly with the representa-

tives of management, thus management uses the Plant Council as a means of communicating with the workers and seeks the opinion of the Council on questions of industrial relations.

The Exit Interview Questionnaire is used by Somerville Limited with success, for it has proven to be an excellent method of ascertaining attitudes of the individual employee to terms and conditions of employment.

(d) *Suggestions Systems*

Somerville Limited is anxious to receive from every employee suggestions which will result in improvements of the Company's products or better methods of manufacture and marketing or superior labour relations. For each suggestion adopted the Company pays an award based upon its value. The committee making the award is composed of elected representatives from each department and selected management representatives. Suggestion blanks and boxes are placed throughout the plants.

RECREATION AND FUNDS

(a) *Group Activities*

The employees of Somerville's participate in the following sports (as a group): basketball, bowling (indoor), softball, tennis. Each sport has a fund of its own and each year the Company contributes $100 to each fund. In addition to this donation, the Company pays the cost of outfitting the baseball and basketball players with uniforms and supplies. Bowling alleys and a gymnasium are rented for certain hours each week by the Company for the use of their employees. At the Crumlin plant, obsolete aeroplane runways have been converted into tennis courts, and vacant land has been transfigured into baseball diamonds. The tennis courts are transformed into skating rinks in the winter.

(b) *Individual Activities*

Now, as in the past, the Company has often sponsored Hobby Shows for the employees, and prizes are given by the Company to the best contenders.

(c) *Miscellaneous Group Activities*

(i) Flower Fund.

To eliminate periodic canvasses of employees, a small weekly payroll deduction is made in the three plants for the purchase of flowers

and wedding gifts for employees. A small committee of employees administer the fund.

(ii) Patriotic Fund.

Contributions to charities are handled in the same way, with small regular deductions and a committee of employees to administer the fund.

PERSONNEL INFORMATION

Personnel information is conveyed to the employees through the following media:

(i) The Personnel Manager attends all of the foremen's meetings and tells them the latest personnel information. The foremen are then instructed to report this information to the employees.

(ii) "The Somerville Link", the monthly employee paper, contains any important personnel information which the management believes the employees should know. This paper is distributed free to each employee.

(iii) The foremen meet weekly with the Superintendent or Assistant Works Manager and once a month with top management. In this way, too, the latest information is quickly given to the workers.

(iv) The two pamphlets, "You, Your Job and Somerville's" and "Low-Cost Group Insurance Protection for Our Employees", are given to all new employees starting at Somerville's and these booklets give the newcomer a great deal of personnel information.

(v) The foreman may at any time be asked to give information to the employee and if he cannot give it to him, he will direct him to someone who can.

(vi) The Personnel Department is made up of seven persons—the Personnel Manager, a part-time Assistant Manager, an Insurance Clerk, a Personnel Clerk, a Library Clerk, and two stenographers. All of these people are engaged by the company to assist Somerville employees in every way possible, particularly in the duty that they have been assigned to perform.

PROFESSIONAL DIRECTORY

PROFESSIONAL DIRECTORY

UNIVERSITY OF WESTERN ONTARIO

London, Canada

FACULTIES

Faculty of Arts **Faculty of Medicine**
Faculty of Public Health

AFFILIATED COLLEGES

Huron College **Waterloo College**
Assumption College **Alma College (Junior College)**
Ursuline College **St. Peter's Seminary**
Western Ontario Conservatory of Music

The University, founded in 1878, has been co-educational since its inception. It has three Faculties—Arts and Science, Medicine, and Public Health. There are eight affiliated colleges. Four of them give a complete four-year course leading to an Arts degree. One (Alma) is a Junior College offering the first two years' work only. Two offer music (Western Ontario Conservatory and Music Teachers' College) and one is theological only (Huron).

The postwar urge for higher education has increased the total registration of the University in the last decade from 2,283 (1936-37) to 4,001 (1946-47), about 1,400 of the latter being veterans of World War II. This expansion demands a corresponding expansion in buildings, equipment, and staff; hence the current drives in all divisions of the University, the constituent colleges and affiliated colleges alike.

These drives must not be allowed to fail if the University is to meet the general educational demands of the area which is its primary function to serve.

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